

# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

#### **OCTOBER 2002 FINANCE & INVESTMENT REPORT**

Agenda Item # 1
Prepared By:
•
E'
Finance Director
Submitted By:
Submitted by.
City Manager

#### **RECOMMENDED ACTION:**

Accept and File Report

#### **EXECUTIVE SUMMARY:**

Attached is the monthly Finance and Investment Report for the period ended October 31, 2002. The report covers the first four months of activity for the 2002/2003 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of *Maintaining and Enhancing the Financial Viability of the City*.

FISCAL IMPACT: as presented



#### CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

This analysis of the status of the City's financial situation reflects 33% of the year. However, this analysis is somewhat limited. Many of the City's current year revenues have not been received as of this time of the year, such as property taxes and franchise fees. The beginning of a fiscal year normally reflects a surge in purchasing. This is due to the start of projects included in the new budget and to the season to take advantage of good weather for construction projects.

• General Fund - The revenues received in the General Fund are approximately 27% of the budgeted revenues. The amount of Sales Tax collected is 29% of the sales tax revenue budget and is 7% less than at this time last year. Business license and other permit collections are 74% of the budgeted amount. This is due to the amount of business license renewals collected in June and July. Motor Vehicle-in-Lieu revenues are 36% of the budgeted amounts, up 16% compared to last year. Interest & Other Revenue are only 16% of budget and reflect interest earnings through September, but do not include interest earnings earned in October that will be posted until the end of the second quarter. The amount of Interest & Other Revenue collected is low because the City has not yet begun to collect rental income for Community & Cultural Center rental activity, since the Center is not yet open, and because declining interest rates are generating less interest earnings.

The General Fund expenditures and encumbrances to date total 29% of the budgeted appropriations. The outstanding encumbrances in several activities are encumbrances for projects started but not completed in the last fiscal year; these projects and the related encumbrances are carried forward from the prior fiscal year.

- Transient Occupancy (Hotel) Tax The TOT rate is 10%. The City received \$283,007 in revenue during October for the first quarter ended September 30 and will receive the next quarterly payments in January 2003. The amount received was 12% more than the amount received for the first quarter of the prior year.
- **Community Development** Revenues are 42% of budget, which is 13% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances are 40% of budget, Building has expended or encumbered 33% of budget and Engineering 42%. Community Development has expended or encumbered a combined total of 38% of the 2002/03 budget, including \$493,812 in encumbrances.
- **RDA and Housing -** Property tax increment revenues of \$367,931 have been received as of October 31. Redevelopment expenditures plus encumbrances for Business Assistance, Administration and Housing are 37% of budget, including \$5,286,264 in encumbrances.
  - Water and Sewer Operations- Water Operations revenues, including service fees, are 50% of budget. Expenditures total 30% of appropriations. Sewer Operations revenues, including service fees, are 34% of budget. Expenditures for sewer operations are 41% of budget. This higher percentage reflects a principal and interest payment on debt service paid in July.
- Investments maturing/called/sold during this period. During the month of October, \$2 million in federal agency investments were called and \$4 million was re-invested in new federal agency investments. Further details of all City investments are contained on pages 6-8 of this report.

# CITY OF MORGAN HILL Monthly Financial and Investment Reports

October 31, 2002 - 33% Year Complete



Prepared by:

FINANCE DEPARTMENT



#### CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

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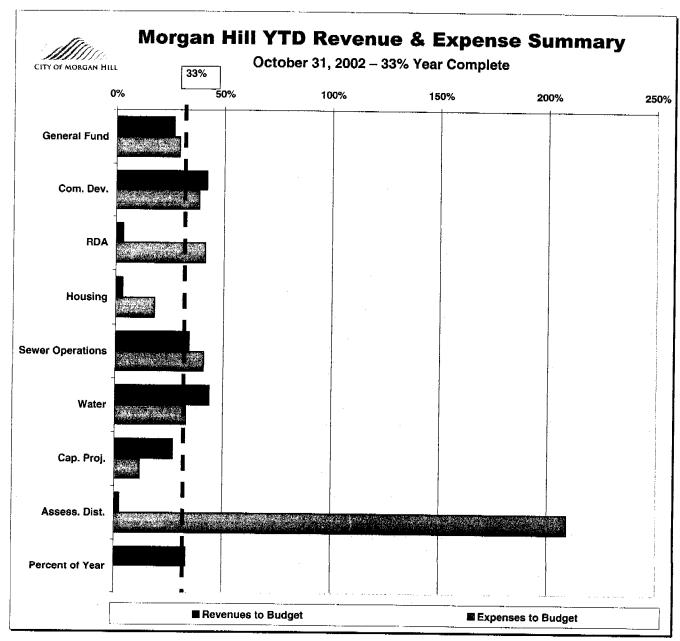
**Transient Occupancy (Hotel) Tax** - The TOT rate is 10%. The City received \$283,007 in revenue during October for the first quarter ended September 30 and will receive the next quarterly payments in January 2003. The amount received was 12% more than the amount received for the first quarter of the prior year.

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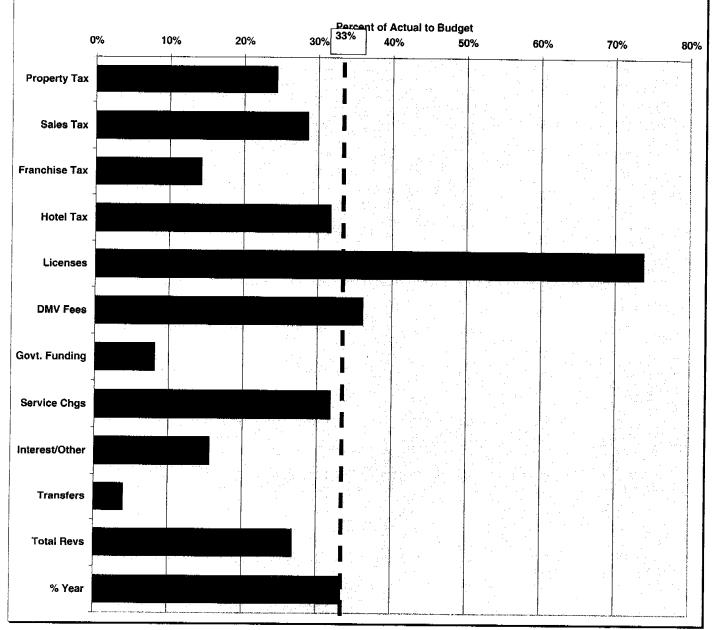
	REVENU	ES	EXPENS	ES	10/31/02
FUND NAME	ACTUAL	% OF BUDGET	ACTUAL	% OF BUDGET	UNRESTRICTED FUND BALANCE
General Fund	\$4,360,758	27%	\$4,748,913	200/	<b>#10.000.075</b>
Community Development	890,021	42%	933,148	29% 38%	\$10,638,975
RDA	433,669	3%	8,215,906	41%	1,340,588
Housing/CDBG	123,466	3%	1,179,561	18%	7,460,408 2,675,300
Sewer Operations	1,984,906	34%	2,763,257	41%	3,474,172
Sewer Other	416,957	26%	651,460	11%	11,697,868
Water	3,745,589	44%	2,995,846	33%	7,330,042
Other Special Revenues 1	443,035	41%	173,557	7%	3,504,779
Capital Projects & Streets Funds	1,612,401	27%	1,049,269	12%	20,847,789
Debt Service Funds	5,385	2%	380,214	209%	364,963
Internal Service	1,994,615	49%	1,597,934	51%	4,026,350
Agency	31,119	1%	1,782,031	60%	4,107,711
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TOTAL FOR ALL FUNDS	\$16,041,921	25%	\$26,471,096	35%	\$77,468,945

<sup>&</sup>lt;sup>1</sup> Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds

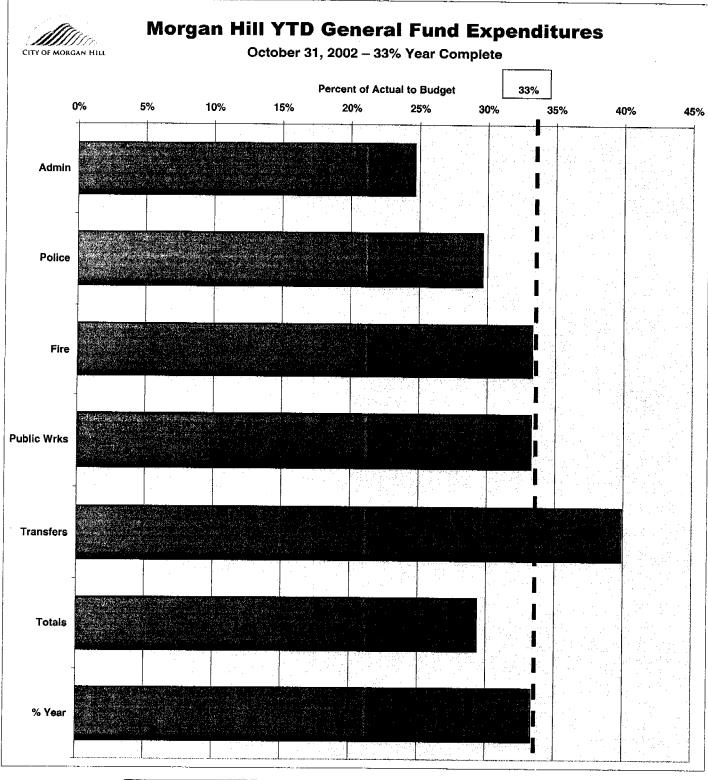


#### Morgan Hill YTD General Fund Revenues

October 31, 2002 - 33% Year Complete



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY RELATED TAXES	\$2,228,000	\$544,005	24%	\$512,001	6%
SALES TAXES	\$5,618,400	\$1,605,293	29%		
FRANCHISE FEE	\$965,000	\$138,069	14%		-1%
HOTEL TAX	\$892,000	\$283,007	32%	7	12%
LICENSES/PERMITS	\$209,450	\$154,485	74%		1270
MOTOR VEHICLE IN LIEU	\$1,965,000	\$709,811	36%	\$614,018	16%
FUNDING - OTHER GOVERNMENTS	\$228,300	\$18,493	8%		-46%
CHARGES CURRENT SERVICES	\$2,275,326	\$724,545	32%	\$600,192	21%
INTEREST & OTHER REVENUE	\$939,600	\$146,384	16%	\$195,729	
TRANSFERS IN	\$925,332	\$36,666	4%	\$35,667	3%
TOTALS	\$16,246,408	\$4,360,758	27%	\$4,267,005	2%



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
ADMINISTRATION	5,385,179	1,328,655	25%
POLICE	6,443,305	1,910,886	30%
FIRE	3,623,938	1,207,978	33%
PUBLIC WORKS	879,230	292,440	33%
TRANSFERS OUT	537,000	214,250	40%
TOTALS	\$ 16,868,652	\$ 4,954,209	29%

CITY OF MORGAN HILL

City of Morgan Hill
Fund Activity Summary - Fiscal Year 2002/03
For the Month of October 2002
33% of Year Completed

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		Unaudited	Revenues		Expenses		Year to-Date	Ending Frind Ralance	nd Ralance	They don't	.,
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or	2		Cash and livestifients	Mestinents
S.	Fund	06-30-02	Actual	Budget	Actual	Budget	Carryover	Reserved	Unieserved	Unrestricted	Restricted <sup>2</sup>
010	GENERAL FUND	\$11,232,426	\$4 360 758	%26	\$4 748 013	200%	(\$300 4EE)	000 3004	1100000		
Claring and an interest	THE REPORT OF THE PARTY OF THE		201,200,1	2 1.7	21,10,010	0/67	(pc) (pose)	067,502¢	\$10,638,975	\$10,632,097	\$4,050
TOTAL	TOTAL GENERAL FIJND	\$11,232,426	\$4,360,758	. 27%	\$4,748,913	. 29%	- (\$388 155)	SOF JOE	£40 838 07E	£40 E23 007	SAS PART
								*******		# 10,002,UJ	000.45°
202	STREET MAINTENANCE	\$1,615,397	\$553,842	31%	\$593,572	51%	(\$39 730)	\$1 068 195	\$507 472	C1 470 010	440 704
204/205		\$641,108	\$105,608	%99	\$179	14%	\$105,429	100	\$746,537	4776 537	10.019
506	COMMUNITY DEVELOPMENT	\$1,877,527	\$890,021	42%	\$933,148	38%	(\$43,127).	\$493.812	\$1.340.588	\$1 005 761	
207	GENERAL PLAN UPDATE	\$110,827	\$39,379	35%	\$3,142	%6	\$36.237	\$13.493	\$133.571	\$147.225	
210	COMMUNITY CENTER	\$754,628	\$107,213	%06			\$107,213		\$861.841	\$861.841	
215/216		\$566,540	\$3,342	1%		14%	\$3.342	392 889	\$176.993	\$121.108	
220	MUSEUM RENTAL	\$3,807	\$32	15%	\$740	24%	(\$708)	2224	83 099	\$3 000	
225	ASSET SEIZURE	\$56,567	\$497	24%		29%	\$497	\$20,000	\$37.064	\$57,064	
226	OES/FEMA			n/a				222	100	200	
229	LIGHTING AND LANDSCAPE	\$64,203	\$540	1%	\$47,283	64%	(\$46.743)	\$41,687	(\$24.227)	\$17.756	
232	ENVIRONMENT PROGRAMS	\$465,250	\$132,178	35%	\$93,752	48%	\$38.426	\$88.856	\$414 820	\$505 002	
234	MOBILE HOME PK RENT STAB.	\$53,314	\$6,256	250%	\$4,218	9%	\$2.038		\$55 352	\$55.352	
235	SENIOR HOUSING	\$236,123	\$2,062	7%		%9	\$2,062	\$15,000	\$223 185	\$238.185	
236	HOUSING IN LIEU	\$1,028,510	\$9,033	24%		%9	\$9,033		\$1 037 543	\$1 037 543	
240	EMPLOYEE ASSISTANCE		\$40,237	20%	24,243	1%	\$15,994		\$15,994	\$15.994	
TOTALS	TOTAL SPECIAL REVENUE FUNDS	\$7,473,801	\$11890.240	36%	\$1,700,277	35%	\$189.963	## \$2 (33 932 ##	€5 529 837 III	E7 149 567	\$7.405.5E7 118 125 \$40.70A

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\$2,871,14	\$2,692,75	\$2,534,18	\$3,067,72	\$3,88	\$244,80	\$2,870,72	\$1,168,76	\$2,515,63	\$22,634,04	\$20,841,20	\$46,67	\$52,42	\$1,033,86	\$1,058,34	\$368,111	\$1,135,78
PARK DEV. IMPACT FUND	PARK MAINTENANCE	LOCAL DRAINAGE	LOCAL DRAINAGE/NON-AB1600	OFF-STREET PARKING	OPEN SPACE	TRAFFIC IMPACT FUND	POLICE IMPACT FUND	FIRE IMPACT FUND	REDEVELOPMENT AGENCY	HOUSING	MORGAN HILL BUS.RANCH I	MORGAN HILL BUS.RANCH II	PUBLIC FACILITIES NON-AB1600	PUBLIC FACILITIES IMPACT FUND	LIBRARY IMPACT FUND	UNDERGROUNDING
301	302	303	304	305	306	309	311	313	317	327 / 328	340	342	346	347	348	350

\$3,005,700		\$2 R02 001	44,004,001			\$2 807 619	\$1 202 054	\$2 488 678						\$1,026,727	\$383,517	200
	\$2 782 078	2	\$3 024 980	\$3 920	\$246.953				\$12 638 626	\$2 635 106	\$47.088	\$57.883	\$1.081.049	20,100,100		\$1 145 GD9
\$2,955,713	\$2.771.274	\$2,692,991	\$3 120 098	\$3.920	\$199 644	\$2 091 006	\$1 154 744	\$2,466,676	\$7 460 408	\$2 498 307	\$47.088	\$52,883	\$1 081 049	\$174 105	\$383.518	\$1.145.608
\$49,987	\$10,804		\$64.882		\$47.310	\$817.786	\$47.310		7 391 404	17 283 457	1001			\$889.291		
\$134,551	\$89,328	\$158.809	\$117,259	\$34	\$2,151	\$38,064	\$33,293	(\$48,960)	(\$7,782,237)	(\$1.059.437)	\$409	\$460	\$47.182	\$5.049	\$15.406	\$9,827
3%	24%	%0	20%			64%	5%	10538%	41%	19%	n/a			80%	33%	%0
\$57,079	\$30,422	\$687	\$13,731			\$162,459	\$10,177	\$150,476	\$8,215,906	\$1,179,561				\$30,462	69\$	\$135
17%	77%	51%	94%	22%	n/a	19%	%/9	61%	3%	3%	22%	22%	19%	24%	43%	1%
\$191,630	\$119,750	\$159,496	\$130,990	\$34	\$2,151	\$200,523	\$43,470	\$101,516	\$433,669	\$120,124	\$409	\$460	\$47,182	\$35,511	\$15,475	\$9,962
\$2,8/1,149	\$2,692,750	\$2,534,182	\$3,067,721	\$3,886	\$244,803	\$2,870,728	\$1,168,761	\$2,515,636	\$22,634,048	\$20,841,201	\$46,679	\$52,423	\$1,033,867	\$1,058,347	\$368,112	\$1,135,781
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	-	Z/a	270%	%9	209%
\$500	\$562		\$376,533	\$2,619	\$380.214 Page 4
14%	1%	3%	3%	1%	7,7
\$576	66\$	\$211	\$4,228	\$271	\$5.385
\$65,771	\$11,486	\$24,079	\$606,826	\$31,630	\$13 <u>9.79</u> 2
	RGAN HILL BUS, PARK	SUTTER BUSINESS PARK	COCHRANE BUSINESS PARK	JOLEEN WAY	DEBT SERVICE FUNDS
	CINO HILLS	ENCINO HILLS MORGAN HILL BUS, PARK	<b></b> ,	536 ENCINO HILLS 539 MORGAN HILL BUS. PARK 542 SUTTER BUSINESS PARK 545 COCHRANE BUSINESS PARK	ENCINO HILLS MORGAN HILL BUS. PARK SUTTER BUSINESS PARK COCHRANE BUSINESS PARK JOLEEN WAY

	CITY OF MORGAN HILL	FOR HILL	City of Ma Fund Act For the M	City of Morgan Hill Fund Activity Summary - Fiscal Year 2002/0 For the Month of October 2002 33% of Year Completed	iscal Year 2 2002	2002/0
	Unaudited	Revenues		Expenses		Yea
	Fund Balance	GTY	% of	OTY	jo %	Δ
Fund	06-30-02	Actual	Budget	Actual	Budget	ပိ

Fund 8

\$1 907 R72	710,100	\$5 651 642	70,100,100				\$392 15E	4002, 100	SE27 114	1.1.1				
\$4 253 698	00,007,		400 400	- CO	\$3 516 523	20,000	\$3 874 159	2014:10124			\$846 178 I	21.0	\$4,145,461	
\$3 474 172		\$5,439,132	42 400 487	101,100	\$2 759 549	26 2 2 2 2	\$3 860 130	20, 20, 10,	(\$176.111)	( )	\$846.178		\$2,799,845	
\$13,059,948	20.26.2.62.2	1.682.574			6.516.626		\$20.247.529		2.773,531		_		5,019,990	
(\$778,351)		(\$122,629)	\$29 702	20,102	(\$141,576)		\$951,797		(\$159,927)		\$7,189		(\$49,316)	
\$0		%6	33%	2( 2)	33%				36%		33%		37%	
\$2,763,257		\$352,131	\$730		\$298,599		\$2,274,230		\$336,207		\$170	0.00	\$385,239	
34%	130,	18%	25%		56%		% 00°	1900	%07 70%	,000	01.77	7000	70,70	
\$1,984,906	0000	\$229,502	\$30.432		\$157,023		\$3,22b,027	9430 000	Ø / / Ø, ∠8U	010 16	8C5,14	000 1000	\$335,823	
\$17,312,471	700 110 44	\$7,744,335	\$3,469,485		\$9,417,751	COO THE COO	700,001,076	070 727 040	045,101,240	000000	805,000	47 000 454	101,800,14	
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\$8,578,5					\$30.0	2.5			
\$20,135,206	\$317.071	\$219.516	\$113.066	\$70.158	\$592 OBB	\$2 583 045	\$339.021	\$1.284.168	
\$22,502,082	\$167 088	\$164 922	(\$101.502)	\$70.158	(\$125,300)	\$2 570.468	\$344.719	\$935 797	
<b>± \$</b> 49,300,198	196.063	42,394	184.610		\$44,225	895.888	321,700		
(\$263.111)	(\$66,274)	\$51,871		(\$7,535)	(\$123,831)	\$186,646	\$253,763	\$102.041	
32%	53%	30%	40%	30%	21%	7%	199%	2%	
\$6,410,563	\$193,337	\$157,444	\$379,570	\$7,535	\$261,559	\$628	\$582,770	\$15,091	
37%	33%	25%	29%	n/a	34%	37%	359%	30%	
\$6.147,452	\$127,063	\$209,315	\$379,570		\$137,728	\$187,274	\$836,533	\$117,132	
\$72,065,392	\$429,425	\$155,445	\$83,108	\$77,693	\$42,756	\$3,279,710	\$412,656	\$833,756	
LOTALEN EKILÖS EURUS	DATA PROCESSING	BUILDING MAINTENANCE	CIP ADMINISTRATION	UNEMPLOYMENT INS.	WORKER'S COMP.	EQUIPMENT REPLACEMENT	CORPORATION YARD	GEN'L LIABILITY INS.	
<b>4</b>	730	740	745	760	770	790	793	795	

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Restricted<sup>2</sup>

Unrestricted

Unreserved

Reserved<sup>1</sup>

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Cash and Investments

Ending Fund Balance

ar to-Date

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SPECIAL DEPOSITS					-			\$802.621	
M.H. BUS.RANCH A.D.	\$1,620,366	\$12,384	%6	\$505,746	%69	(\$493,362)	\$1.127.004	\$548,680	\$578 324
M.H. BUS. RANCH II A.D.	\$270,163	\$2,044	2%	\$104,701	116%	(\$102,657)	\$167.506	\$107.993	\$59.513
M.H. BUS. RANCH 1998	\$1,685,884	\$7,235	13%	\$579,806	%99	(\$572,571)	\$1,113,313	\$227 118	\$886 196
MADRONE BP-TAX EXEMPT	\$1,696,402	\$6,328		\$491,715	45%	(\$485.387)	\$1 211 015	\$133.884	\$1 077 131
MADRONE BP-TAXABLE	\$246,281	\$178	1%	\$99,227	54%	(\$99 049)	\$147 231	(413 542)	6460.054
TENNANT AVE.BUS.PK A.D.	\$319,288	\$2,772	13%	\$836	n/a	\$1.936	\$321.224	\$321.224	7
POLICE DONATION TRUST FUND	\$20,240	\$178	13%		n/a	\$178	\$20.418	1.22	\$20.417

# SUMMARY BY FUND TYPE

CAPITAL PROJECTS GROUP INTERNAL SERVICE GROUP SPECIAL REVENUE GROUP GENERAL FUND GROUP DEBT SERVICE GROUP ENTERPRISE GROUP AGENCY GROUP

\$11,232,426	\$4,360,758	27%	\$4,748,913	29%	(\$388,155)	\$205 296	\$10 638 975	\$10.632.097	\$4 050
\$7,473,801	\$1,890,240	36%	\$1,700,277	35%	\$189 963	\$2 133 932	\$5 529 832	47 102 557	640 704
\$739,792	\$5,385	7%	\$380,214	209%	(\$374.829)		\$364 963	\$166.765	\$10,734
\$65,140,074	\$1,612,352	8%	\$9,851,164	34%	(\$8 238 812)	\$26 602 231	\$30,299,032	\$23 658 20A	¢12 676 376
\$72,065,392	\$6,147,452	37%	\$6.410.563	32%	(\$263 111)	\$49 300 198	\$20,002,004	820,000,034	99 679 699
\$5,314,549	\$1,994,615	49%	\$1.597.934	51%	\$306.681	12,000,1	\$4,002,002 \$4,008,950	#20, 133, 200	40,010,000
\$5,858,624	\$31,119	1%	\$1,782,031	808	(\$1.750.912)		64 107 711	60 407 070	430,000

# TOTALCASHANDINVESTMENTS

- For Enterprise Funds Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.
  - <sup>1</sup> Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.
- <sup>2</sup> Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



#### CITY OF MORGAN HILL CASH AND INVESTMENT REPORT FOR THE MONTH OF OCTOBER 2002

FOR THE FISCAL YEAR OF 2002-03

Investments	Invested in Fund	Yield	Book Value End of Month	Investment Category Subtotal at Cost	% of Total	Market
THYESCHIENES					- Total	Value
State Treasurer LAIF - City	All Funds Pooled	2.59%				
- RDA	RDA	2.59%	\$33,925,797		35.82%	\$34,096,10
- Corp Yard	Corp Yard		\$19,285,626		20,36%	\$19,382,44
33.P 14.G	corp raid	2,59%	\$50,827		0.05%	\$51,08
Federal Issues	All Funds Pooled	4.70%	\$35,500,000		37.48%	
Money Market	All Funds Pooled	1.28%	\$241,338	\$89,003,588		\$35,872,42
Bond Reserve Accounts - held by truste	e <u>es</u>		,,.	402,000,000	0,25%	\$241,33
PAIV 1000 CODING D						
BNY - 1992 SCRWA Bonds Blackrock Provident Temp Fund						
black ock Provident Temp Fund	Sewer	1.39%	\$1,907,672		2.01%	** ***
US Bank - 1999 Water C.O.P.					4.0170	\$1,907,67
First American Treasury Obligation	Water					
· · · · · · · · · · · · · · · · · · ·	water.	1.50%	\$392,155		0.41%	\$392,15
JS Bank - MH Ranch 98	MH Ranch					4352,13
First American Treasury Obligation	Agency Fund	1,50%	****			
•	rigency i dila	1,30%	\$886,196		0.94%	\$886,19
IS Bank - Madrone Bus Park Tax Exempt	Madrone Bus Park					1/2
First American Treasury Obligation	Agency Fund	1.500/	A. 077			
	Agency runu	1.50%	\$1,077,131		1.14%	\$1,077,13
S Bank - Madrone Bus Park Taxable	Madrone Bus Park					• • • • • • •
First American Treasury Obligation	Agency Fund	1.50%	<b>**</b> **********************************			
	- 9-11-7 7 4114	2.50 70	\$160,951	\$4,424,105	0.17%	\$160,95
Checking Accounts						3
Seneral Checking						
Preyfuss Treas Cash Management Account	All Funds		\$1,248,690		1,32%	44 7 40 40
regress treas cash management Account	All Funds	0.66%			0.00%	\$1,248,69
thens Administators Workers' Comp	Materials 1 mm				0.0070	\$
Torkers Comp	Workers' Comp		\$30,000		0.03%	\$30,00
etty Cash & Emergency Cash	Various Funds					450,000
, 33,4,4, 335,1	various rungs		\$4,050	\$1,282,740	0,00%	\$4,050
otal Cash and Investments			<u>\$94,710,433</u>	<u>\$94,710,433</u>	100.00%	
		888560000000000000000000000000000000000	•		400.00 70	\$95,350,237
			CASH ACTIVIT	Y SUMMARY		
	44.000.000.000.000.000.000.000.000.000.		FY 02	/03		
	07/01/02		Change in	10/31/02		
Fund Type	Balance		Cash Balance	Balance	Restricted	
eneral Fund	\$11,396,207		(\$760,060)		Kestricted	Unrestricted
ommunity Development	\$2,011,445		(\$105,684)	\$10,636,147	\$4,050	\$10,632,097
DA (except Housing)	\$22,128,854		(\$103,884)	\$1,905,761 \$13,530,635	\$0	\$1,905,76
ousing / CDBG	\$4,167,760		(\$1,411,456)	\$12,638,626	\$0	\$12,63 <b>8,62</b> 6
ater	\$9,541,195		\$343,872	\$2,756,304	\$0	\$2,756,30
ewer - Operations	\$7,057,299		(\$895,929)	\$9,885,067	\$1,019,269	\$8,865,79
ewer Other	\$13,270,287		(\$602,935)	\$6,161,370 \$13,667,350	\$1,907,672	\$4,253,698
ther Special Revenue	\$3,379,537		\$307,051	\$12,667,352	\$5,651,642	\$7,015,71
reets and Capital Projects (except RDA)	\$23,005,915		\$543,726	\$3,686,588	\$0	\$3,686,58
sessment Districts	\$736,561		(\$371,597)	\$23,549,641	\$13,686,070	\$9,863,57
nternal Service	1-1-1		(4-1-1-21)	\$364,964	\$198 199	#400 700

**\$25,279,435** \$69,430,998 Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports.

\$5,284,536

\$6,427,696

\$108,407,29<u>2</u>

I certify the information on the investment reports on pages 6-8 has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:

Internal Service

Total

Agency Funds

Lourdes Reroma Accountant I

Approved by

\$263,566

(\$1,517,185)

(\$13,696,859)

Jack Dilles Director of Finance

\$364,964

\$5,548,102

\$4,910,511

**594,710,433** 

\$198,199

\$30,000

782.533

\$166,765

\$5,518,102

\$2,127,978

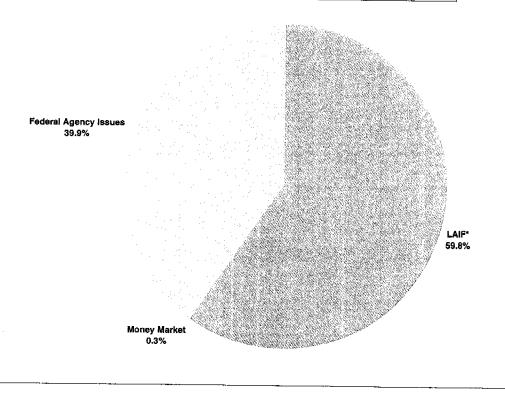
Verified by:

Tina Reza Assistant Director of Finance

Mike Roorda City Treasurer



# CITY OF MORGAN HILL INVESTMENT PORTFOLIO DETAIL as of 10/31/02



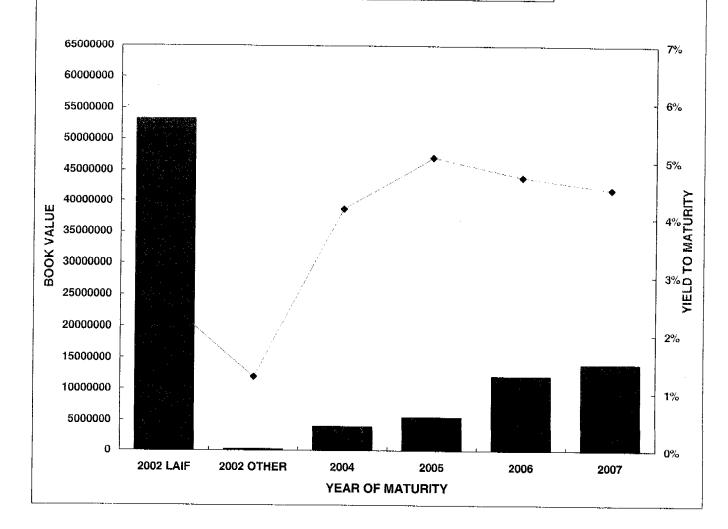
Investment Type	Purchase Date	Book Value	% of Portfolio	Market Välue	Stated Rate	interest Earned	Next Call Date	Date of Maturity	Years to Maturity
LAIF		\$50,262,249	59.64%	\$53,529,629	2.594%	\$458,251			0,003
Federal Agency Issues							The state of the s	managaran da ang ang ang ang ang ang ang ang ang an	* HOUSE AND CONTRACTOR OF THE PROPERTY OF THE
Fed Home Loan Mgt Corp	03/28/02	\$2,000,000	2.25%	\$2,019,000	4.210%	\$28,067	03/28/03	09/28/04	4.040
Fed Natl Mortgage Assn	05/02/02	\$2,000,000	2,25%	\$2,025,000	4.125%	\$27,575	05/02/03	11/02/04	1,910
Fed Home Loan Bank	04/11/01	\$2,000,000	2.25%	\$2,032,500	5.300%	\$35.656	04/11/03	04/11/05	2.005
Fed Nati Mortgage Assn	08/01/01	\$1,500,000	1.69%	\$1,538,445	5.200%	\$26,180	08/01/05	08/01/05	2.444
Fed Home Loan Bank	05/15/02	\$2,000,000	2,25%	\$2,001,880	4.750%	\$31,753	11/15/02	11/15/05	2.751
Fed Home Loan Bank	02/06/01	\$2,000,000	2.25%	\$2,019,380	5.840%	\$39,229	02/06/03	02/06/06	3.041
Fed Home Loan Bank	08/08/02	\$2,000,000	2.25%	\$2,000,620	4.060%	\$18,755	11/08/02		3.268
Fed Home Loan Bank	09/10/01	\$2,000,000	2.25%	\$2,023,760	5.250%	\$35,341	NA NA	02/08/06	3.274
Fed Home Loan Mgt Corp	08/06/02	\$2,000,000	2.25%	\$2,013,320	4.250%	\$20.095	02/06/03		3.356
Fed Home Loan Bank	11/20/01	\$4,000,000	4.49%	\$4,006,240	4.500%	\$60,163		11/06/06	4.016
Fed Home Loan Mgt Corp	03/26/02	\$2,000,000	2.25%	\$2,026,960	and the second of the second	and the second of the	11/20/02	11/20/06	4.055
Fed Home Loan Bank	07/09/02	\$4,000,000	4.49%		5.300%	\$35,333	03/26/03	03/26/07	4.400
Fed Home Loan Bank	08/20/02	\$2,000,000	2.25%	\$4,082,520	4.875%	\$60,938	07/09/03	07/09/07	4.688
Fed Natl Mortgage Assn	09/27/02	\$2,000,000	2.25%	\$2,033,760	4.250%	\$16,861	08/20/03	08/20/07	4.803
Fed Home Loan Bank	10/10/02	\$2,000,000	2.25%	\$2,030,620 \$2,008,760	4.000%	\$7,735	09/27/03	09/27/07	4.907
Fed Home Loan Mgt Corp	10/23/02	\$2,000,000	2.25%		4.205%	\$5,083	01/10/03	10/10/07	4.942
Redeemed FY 02/03		42,000,000	2.2076	\$2,009,660	4.107%	\$2,031	01/23/03	10/23/07	4.978
Sub Total/Average		\$35,500,000	39.89%	\$35,872,425	4.0000/	\$178,259			lanta <u>i</u> i
		400,000,000	A9100 10	400,012,420	4.698%	\$629,054			3.770
Money Market		\$241,338	0.27%	\$241,338	1.280%	\$8,016			0.003
TOTAL/AVERAGE	_	\$89,003,588	100.00%	\$89,643,392	3.405%	\$1,095,321			1.515

<sup>\*</sup>Per State Treasurer Report dated 10/31/2002, LAIF had invested approximately 14% of its balance in Treasury Bills and Notes, 17% in COs, 29% in Commercial Paper and Corporate Bonds, 0% in Banker's Acceptances and 40% in others.



#### **CITY OF MORGAN HILL**

INVESTMENT MATURITIES AS OF OCTOBER 31, 2002



YEAR OF MATURITY	BOOK VALUE	MARKET VALUE	AVERAGE RATE	% OF TOTAL
2002 LAIF	\$53,262,250	\$53,529,629	2.594%	59.84%
2002 OTHER	\$241,338	\$241,338	1.280%	0.27%
2004	\$4,000,000	\$4,044,000	4.168%	4.49%
2005	\$5,500,000	\$5,572,825	5.073%	6.18%
2006	\$12,000,000	\$12,063,320	4.733%	13.48%
2007	\$14,000,000	\$14,192,280	4.516%	15.73%
TOTAL	\$89,003,589	\$89,643,392	3.405%	100.00%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR)	
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	FROM PRIOR YTD	% OF BUDGE
10 GENERAL FUND							01 0000
TAXES							
Property Taxes - Secured/Unsecured/Pri	1,883,000	1,883,000	451,821	24%	430,503	21,318	5%
Supplemental Roll	125,000	125,000	19,786	16%	32,426	(12,640)	-39%
Sales Tax	5,330,000	5,330,000	1,531,447	29%	1,657,356	(125,909)	-8%
Public Safety Sales Tax	288,400	288,400	73,846	26%	71,490	2,356	3%
Transient Occupancy Taxes	892,000	892,000	283,007	32%	252,105	30,902	12%
Franchise (Refuse ,Cable ,PG&E)	965,000	965,000	138,069	14%	139,937	(1,868)	-1%
Property Transfer Tax	220.000	220,000	72,398	33%	49,072	23,326	48%
TOTAL TAXES	9,703,400	9,703,400	2,570,374	26%	2,632,889	(62,515)	-2%
ICENSES/PERMITS							
Business License	164,000	164,000	138,360	84%	136,918	1,442	1%
Other Permits	45,450	45,450	16,125	35%	17,596	(1.471)	-8%
TOTAL LICENSES/PERMITS	209,450	209,450	154,485	74%	154,514	(29)	0%
INES AND PENALTIES							
Parking Enforcement	15,000	15,000	2,197	15%	4,012	(1,815)	-45%
City Code Enforcement	82,000	82,000	14,302	17%	32,416	(18,114)	-45% -56%
Business tax late fee/other fines	-	, +	1,315	n/a	02,410	1,315	-36% n/a
OTAL FINES AND PENALTIES	97,000	97,000	17,814	18%	36,428	(18,614)	ша -51%
OTHER AGENCIES							
Motor Vehicle in-Lieu	1,965,000	1,965,000	709,811	36%	614.019	05.700	400/
Other Revenue - Other Agencies	228,300	228,300	18,493	8%	614,018	95,793	16%
OTAL OTHER AGENCIES	2,193,300	2,193,300	728,304	33%	33.996 <b>648,014</b>	(15.503) 80,290	<u>-46%</u> 12%
CHARGES CURRENT SERVICES							
False Alarm Charge	24,000	24,000	9,998	400/			
Business License Application Review	18,000	18,000	8,473	42%	7 45	9,998	n/a
Recreation Classes	231,741	231,741		47%	7,157	1,316	18%
General Administration Overhead	1,855,937	1,855,937	29,528 618,645	13% 33%	10,723	18,805	175%
Other Charges Current Services	145,648	1,835,937	57,901	40%	EDD 040	/==	
OTAL CURRENT SERVICES	2,275,326	2,275,326	724,545	32%	582,312 <b>600,192</b>	(524.411) (494,292)	<u>-90%</u> -82%
THER REVENUE							
Use of money/property	724,400	724,400	144,479	20%	140 400	4 000	
Other revenues	118,200	118.200	(15,909)	20% -13%	142,489	1,990	1%
OTAL OTHER REVENUE	842,600	842,600	128,570	15%	16.812 <b>159,301</b>	(32,721)	<u>-195%</u> -1 <b>9%</b>
RANSFERS IN						• •	
Park Maintenance	100,000	100,000	25,000	25%	25,000		- I-
Sewer Enterprise	17,500	17,500	5,833	33%	25,000 5,000	622	n/a 179/
Water Enterprise	17,500	17,500	5,833	33%	5,000	833 833	17%
Public Safety	270,000	270,000	-	n/a	3,000	033	17%
Other Funds	520.332	520,332	_	n/a 	667	(667)	n/a -100%
OTAL TRANSFERS IN	925,332	925,332	36,666	4%	35,667	999	<u>-100%</u> <b>3%</b>



FUND	* 000===		CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGE
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	658,000	658,000	243,338	37%	235,071	8,267	4%
Measure A & B	-	-		n/a		0,207	n/a
Tea 21	-	_	_	n/a		_	n/a
Transfers In	977,000	977,000	294,250	30%	237,500	56,750	24%
Project Reimbursement	-	-	-	n/a	,,,,,,,,	-	n/a
Interest / Other Revenue/Other Charges	172,500	172,500	16.254	9%	53,154	(36,900)	-69%
02 STREET MAINTENANCE	1,807,500	1,807,500	553,842	31%	525,725	28,117	<u> 5%</u>
04/205 PUBLIC SAFETY TRUST							
Interest income	30,400	30,400	5,608	18%	8,849	/2 2/11	270/
Police Grant/SLEF	100,000	100,000	100,000	100%	100,000	(3,241)	-37%
PD Block Grant	· ·	-	,	n/a	100,000	-	n/a
CA Law Enforcement Equip.Grant	_	-	_	n/a	40,663	(40,000)	n/a
Federal Police Grant (COPS)	30,000	30,000	_	n/a	40,003	(40,663)	-100%
Transfers in	,	-	_		-	-	n/a
04/205 PUBLIC SAFETY TRUST	160,400	160,400	105,608	n/a 66%	440.540		<u>n/a</u>
	1	,	100,000	QQ 78	149,512	(43,904)	-29%
6 COMMUNITY DEVELOPMENT	:			•			
Building Fees	1,134,000	1,134,000	399,829	35%	373,092	26,737	7%
Planning Fees	438,147	438,147	187,496	43%	88,280	99,216	112%
Engineering Fees	480,000	480,000	285,454	59%	284,144	1,310	0%
Other Revenue/Current Charges	66,276	66,276	17,242	26%	29,668	(12,426)	-42%
<u>Iransfers</u>			<u></u>	n/a	15.618	(15,618)	-100%
6 COMMUNITY DEVELOPMENT	2,118,423	2,118,423	890,021	42%	790,802	99,219	13%
07. GENERAL PLAN UPDATE	113,582	113,582	39,379	35%	13,288	26,091	196%
15 and 216 HCD BLOCK GRANT							
HCD allocation	191 200	404 000					
Interest Income/Other Revenue	181,306 50,000	181,306	-	n/a	-	-	n/a
Transfers	50,000	50,000	3,342	7%	23	3,319	14430%
5 and 216 HCD BLOCK GRANT	231,306	224 200		<u>n/a</u> _	<del></del>		n/a
- and are rise based states	231,306	231,306	3,342	1%	23	3,319	14430%
0 COMMUNITY CENTER	119,041	119,041	107,213	90%	206,786	(99,573)	_400/
0 MUSEUM RENTAL	212	212	32	15%	64		-48% -50%
5 ASSET SEIZURE	2,057	2,057	497	24%	387	(32)	-50%
6 OES/FEMA	•	-	-	л/а		110	28%
9 LIGHTING AND LANDSCAPE	107,429	107,429	540	1%	5,021 1,786	(5,021)	-100%
2 ENVIRONMENTAL PROGRAMS	380,755	380,755	132,178	35%	1,786	(1,246)	-70%
4 MOBILE HOME PARK RENT STAB.	2,507	2,507	6,256		86,564	45,614	53%
5 SENIOR HOUSING	85,541	2,507 85,541		250%	20,491	(14,235)	-69%
6 HOUSING MITIGATION	37,500	37,500	2,062	2%	11,746	(9,684)	-82%
0 EMPLOYEE ASSISTANCE	80,786	80,786	9,033	24%	•	9,033	n/a
· · · · · · · · · · · · · · · · ·	00,700	00,700	40,237	50%	-	40,237	n/a



FUND			CURRENT	-		INCR (DECR)	***************************************
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGE
CAPITAL PROJECTS FUNDS						****	
301 PARK DEVELOPMENT	1,129,006	1,129,006	191,630	17%	93,893	97,737	104%
302 PARK MAINTENANCE	155,300	155,300	119,750	77%	84,753	34,997	41%
303 LOCAL DRAINAGE	315,223	315,223	159,496	51%	160,710	(1,214)	
304 LOCAL DRAINAGE/NON AB1600	139,949	139,949	130,990	94%	55,605	75,385	136%
305 OFF-STREET PARKING	152	152	34	22%	38	(4)	
306 OPEN SPACE			2,151	n/a		2,151	n/a
309 TRAFFIC MITIGATION	1,080,268	1,080,268	200,523	19%	668,952	(468,429)	-70%
311 POLICE MITIGATION	64,919	64,919	43,470	67%	18,918	24,552	130%
13 FIRE MITIGATION	166,935	166,935	101,516	61%	48,266	53,250	110%
17 RDA CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	293,709	2%	122,259	171,450	140%
Development Agreements	-	-	•	n/a	-,	- 1,150	n/a
Interest Income, Rents	595,853	595,853	136,411	23%	277,471	(141,060)	-51%
Other Agencies/Current Charges	152,500	152,500	3.549	2%	3.903	(354)	<u>-9%</u>
17 RDA CAPITAL PROJECTS	12,832,353	12,832,353	433,669	3%	403,633	30,036	7%
27/328 RDA L/M HOUSING			!				
Property Taxes & Supplemental Roll	3,438,000	3,438,000	74,224	2%	30,565	43,659	143%
Interest Income, Rent	100,000	100,000	45,430	45%	72,735	(27,305)	-38%
Other	590	590	470	80%	319	151	47%
27/328 RDA L/M HOUSING	3,538,590	3,538,590	120,124	3%	103,619	16,505	16%
46 PUBLIC FACILITIES NON-AB1600	254,300	254,300	47,182	19%	12,836	34,346	268%
47 PUBLIC FACILITIES	148,617	148,617	35,511	24%	31,860	3,651	11%
48 LIBRARY	36,299	36,299	15,475	43%	9,393	6,082	65%
50 UNDERGROUNDING	692,745	692,745	9,962	1%	115,386	(105,424)	-91%
40 MORGAN HILL BUS.RANCH CIP I	1,825	1,825	409	22%	460	(51)	-31% -11%
42 MORGAN HILL BUS.RANCH CIP II	2,052	2,052	460	22%	518	(58)	-11%
OTAL CAPITAL PROJECTS PUNDS	20,558,533	20,558,533	1,612,352	11 11 12 12 14 14 14 14 14 14 14 14 14 14 14 14 14	1,808,640	(196,488)	-11196
EBT SERVICE FUNDS							
27 HIDDEN CREEK	_		_	n/a	_		nla
27 HIDDEN CREEK	-	· -	-	n/a n/a	<del>-</del>	-	n/a
27 HIDDEN CREEK 33 DUNNE AVE. / CONDIT ROAD	- - 4,209	4.209	- - 576	n/a	- - 1 221	- - /655\	n/a
27 HIDDEN CREEK 33 DUNNE AVE. / CONDIT ROAD 36 ENCINO HILLS	- 4,209 7,707	4,209 7,707	- 576 99	n/a 14%	- 1,231 2,862	- (655) (2.763)	n/a -53%
27 HIDDEN CREEK 33 DUNNE AVE. / CONDIT ROAD 36 ENCINO HILLS 39 MORGAN HILL BUSINESS PARK	7,707	7,707	99	n/a 14% 1%	2,862	(2,763)	n/a -53% -97%
27 HIDDEN CREEK 33 DUNNE AVE. / CONDIT ROAD 36 ENCINO HILLS 39 MORGAN HILL BUSINESS PARK 42 SUTTER BUSINESS PARK	7,707 6,215	<b>7</b> ,707 <b>6</b> ,215	99 211	n/a 14% 1% 3%	2,862 2,086	(2,763) (1,875)	n/a -53% -97% -90%
THE THE ALL PROPERTY OF THE PR	7,707	7,707	99	n/a 14% 1%	2,862	(2,763)	n/a -53% -97%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	9/
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	% OF BUDGE
ENTERPRISE FUNDS		·					<u> </u>
640 SEWER OPERATION							
Sewer Service Fees	5,389,650	5,389,650	1,896,668	35%	1,777,741	118,927	7%
Interest Income	295,119	295,119	37,541	13%	48,203	(10,662)	
Sewer Rate Stabilization	· -	,		n/a	40,200	(10,002)	-22%
Other Revenue/Current Charges	113.900	<u>113.900</u>	50,697	45%	57,229	(0.500)	n/a
640 SEWER OPERATION	5,798,669	5,798,669	1,984,906	34%	1,883,173	(6.532) 101,733	<u>-11%</u> <b>5%</b>
641 SEWER EXPANSION							
Interest Income	176,887	176,887	52,893	30%	EE 404	/O FO.43	
Connection Fees	1,125,000	1,125,000			55,484	(2,591)	-5%
Other	1,123,000	1,125,000	176,345	16%	711,462	(535,117)	-75%
641 SEWER EXPANSION	4 204 007	4 004 00=	264	n/a	464	(200)	-43%
AT DETTER EXT ARSION	1,301,887	1,301,887	229,502	18%	767,410	(537,908)	-70%
642 SEWER RATE STABILIZATION	123,378	123,378	30,432	25%	31,120	(688)	-2%
343 SEWER-CAPITAL PROJECT	608,429	608,429	157,023	26%	37,492	119,531	319%
TOTAL SEWER FUNDS	7,832,363	7,832,363	2,401,863	31%	2,719,195	(317,332)	-12%
						(0.17,002)	-12/0
FO WATER OREDATION							
50 WATER OPERATION							
Water Sales	5,855,915	5,855,915	2,952,523	50%	2,820,232	132,291	5%
Meter Install & Service	48,000	48,000	18,185	38%	25,046	(6,861)	-27%
Transfers-In, and Interest Income	384,673	384,673	97,459	25%	118,852	(21,393)	-18%
Other Revenue/Current Charges	171,770	171.770	157,860	92%	97.236	60,624	62%
50 WATER OPERATION	6,460,358	6,460,358	3,226,027	50%	3,061,366	164,661	5%
· ·							
51 WATER EXPANSION							
Interest Income/Other Revenue	480,602	480,602	125,584	26%	15,326	110 259	74000
Water Connection Fees	387,000	387.000	50.696	13%	53.747	110,258	719%
51 WATER EXPANSION	867,602	867,602	176,280	20%		(3.051)	<u>-6%</u>
	437,002	001,002	110,200	20%	69,073	107,207	155%
52 Water Rate Stabilization	32,844	32,844	7,359	22%	8,286	(927)	-11%
53 Water Capital Project	1,207,662	1,207,662	335,923	28%	26,915	309,008	1148%
OTAL WATER FUNDS	8,568,466	8,568,466	3,745,589	44%	3,165,640	579,949	18%
OTAL ENTERPRISE FUNDS	***4C 400 000**					· · · · · · · · · · · · · · · · · · ·	
en e	16,400,829	10,400,629	5,747,452	17 / C	5,884,835	262,617	4%
TERNAL SERVICE FUNDS							
30 INFORMATION SERVICES	381,190	381,190	127,063	33%	115,266	11,797	4.09/
10 BUILDING MAINTENANCE SERVICES	837,139	837,139	209,315	25%	287,486	(78,171)	10%
15 CIP ADMINISTRATION	1,308,226	1,308,226	379,570	29%			-27%
60 UNEMPLOYMENT INSURANCE	970	970	010,010		300,009	79,561	27%
0 WORKERS COMPENSATION	399,907	399,907	427 700	n/a			n/a
00 EQUIPMENT REPLACEMENT	•		137,728	34%	80,764	56,964	71%
23 CORPORATION YARD COMMISSION	511,371	511,371	187,274	37%	158,189	29,085	18%
	233,033	233,033	836,533	359%	119,749	716,784	599%
95 GENERAL LIABILITY INSURANCE	387,806	387,806	117,132	30%	135,844	(18,712)	-14%



FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCR (DECR) FROM PRIOR YTD	% OF BUDGET
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I 842 M.H. BUS.RANCH A.D. II 843 M.H. BUS.RANCH 1998 845 MADRONE BP-TAX EXEMPT 846 MADRONE BP-TAXABLE 848 TENNANT AVE.BUS.PK A.D. 881 POLICE DONATION TRUST FUND	135,458 99,679 939,155 846,721 184,234 332,553 1,371	135,458 99,679 939,155 846,721 184,234 332,553 1,371	12,384 2,044 7,235 6,328 178 2,772	9% 2% 1% 1% 0% 1%	19,684 3,098 16,543 68,152 646 132,354 268	(7,300) (1,054) (9,308) (61,824) (468) (129,582) (90)	-37% -34% -56% -91% -72% -98% -34%
TOTAL AGENCY FUNDS	2,539,171		31,119		240,745	(209,626)	-87%
TOTAL FOR ALL FUNDS	65,271,494:	.65,271,494	16,041,921	25%	15,224;591		27/4



THIS FUND MONTH PERCENT OF NO. FUND/ACTIVITY ACTUAL ADOPTED AMENDED YTD OUTSTANDING TOTAL TOTAL TO **EXPENSES** BUDGET BUDGET EXPENSES ENCUMBRANCE ALLOCATED BUDGET

GENERAL GOVERNMENT							
COUNCIL AND MISCELLANEOUS GOVI	-						
City Council							
Community Promotions	11,142	236,417	326,275	49,340	880	50,220	15%
COUNCIL AND MISCELLANEOUS GO	2.185	40.604	47,303	12,702	8.248	20.950	44%
COUNCIL AND MISCELLANEOUS GO	13,327	277,021	373,578	62,042	9,128	71,170	19%
CITY ATTORNEY	63,361	668,556	681,176	171,119		171,119	25%
CITY MANAGER							
City Manager	30,862	393,276	446,628	128,736	48.000	470 700	
Cable Television	892	46,755	61,366	24,864	48,000 23,075	176,736	40%
Communications & Marketing	8.348	116,982	116,982	26.613	13,456	47,939	78%
CITY MANAGER	40,102	557,013	624,976	180,213	84,531	40,069 264,744	34% 42%
RECREATION							
Recreation	33,121	470 220	400 500			;	
Community & Cultural Center	18,586	479,220 684,196	486,520	133,217	25,962	159,179	33%
Building Maintenance (CCC)	1,607	205,115	684,196	56,378	1,026	57,404	8%
RECREATION			205,115	23.057		23.057	11%
NEOREATION	53,314	1,368,531	1,375,831	212,652	26,988	239,640	17%
HUMAN RESOURCES							
Human Resources	40,545	606,543	607,257	182,167	714	182,881	30%
Volunteer Programs	3.948	38,193	38.193	13,898		13.898	
HUMAN RESOURCES	44,493	644,736	645,450	196,065	714	196,779	36% 30%
CITY CLERK							
City Clerk	19,909	373,823	404.450				
Elections	3.456	65.811	404,150	74,544	2,157	76,701	19%
CITY CLERK	23,365	439,634	65,811 469,961	12.153 86,697	2,157	12.153 88,854	18%
FINANCE				•	1,107	00,004	19%
PHANCE	71,853	1,075,090	1,094,207	270,675	25,674	296,349	27%
MEDICAL SERVICES	-	120,000	120,000	•	-	-	n/a
AL GENERAL GOVERNMENT	y, 309.815	5,150,581 A	6a5.385.17 <b>9</b>	1.179.463 (/0/8		Maid 209 REE	Poev
UBLIC SAFETY			**************************************				
POLICE							
PD Administration	32,148	596,573	596,573	126 000			
Patrol	237,228	3,131,616		136,936	45	136,936	23%
Support Services	62,512	867,088	3,138,478	945,952	12,871	958,823	31%
Emergency Services/Haz Mat	7,090	89,549	868,069	295,699	9,318	305,017	35%
Special Operations	90,394		89,549	21,767	-	21,767	24%
Animal Control	6,066	792,804 71,919	792,804	285,785	-	285,785	36%
Dispatch Services	46,711	71,919 821,421	71,919	18,924	-	18,924	26%
OLICE	482,149	6,370,970	885,913 6,443,305	183.634 1,888,697	22,189	183.634 1,910,886	21% 30%
FIRE	****			• • • • • • • • • • • • • • • • • • • •	,	1,5 10,000	30 /6
IRE	301,996	3,623,938	3,623,938	1,207,978	-	1,207,978	33%
ALPUBLIC SAFETY LES DE BRANCE DE LA PROPERTIE	784,145	2,994,908%	10,067,243	g≃5.096,67,5 <sup>™</sup> <sub>205</sub>	22,189	3,118,864	31%,
OMMUNITY IMPROVEMENT.							
OMMUNITYIMPROVEMENTI	58,093	826,483	879,230	258,525	33,915	292,440	33%



	CITI OF MORGAN MILL		33% of Yea	r Completed				
FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	PERCENT TOTAL 1 BUDGE
IV. TR.	ANSEERS)					-		
	Street Maintenance	99,250	077.000					
	Community Center	99,250	377,000 100,000	377,000 100,000	114,250	-	114,250	30%
	General Plan Update	-	60,000	60,000	100,000	-	100,000	100%
ďΤ	QUALTRANSEERS	99:250			22(4,250)		es: 214,250	n/a
TOTAL	CENERAL FUNDING (1)	<b>41.251,3</b> 04	16,508,972		***************************************			40% ji 150 - 50 v
- GEOTA								
	L REVENUE FUNDS 144							a salah kanasa da
202 STR	REET MAINTENANCE							
	Street Maintenance/Traffic	132,998	1,705,475	1,827,029	433,264	246,199	679,463	37%
	Congestion Management Street CIP	14,054	79,820	79,820	24,310	•	24,310	30%
02 STR	EET MAINTENANCE	75.126 222,178	120,097	1.383.774	135,998	821,996	957.994	<u>69%</u>
• • • •		442,170	1,905,392	3,290,623	593,572	1,068,195	1,661,767	51%
04/205	PUBLIC SAFETY/SUPP.LAW	45	315,538	315,538	179	45,000	45,179	14%
06 COI	MMUNITY DEVELOPMENT FUND							
	Planning	116,299	1,146,916	1,422,356	373,055	104 504	507.000	
	Building	71,944	1,040,589	1,129,357	268,662	194,581 106,455	567,636	40%
	PW-Engineering	91,370	1,120,346	1.160.252	291,431	192,776	375,117	33%
06 COI	MMUNITY DEVELOPMENT FUND	279,613	3,307,851	3,711,965	933,148	493,812	484.207 1,426,960	<u>42%</u> 38%
07	GENERAL PLAN UPDATE	765	400 000	4=0.4=4			•	
10	COMMUNITY CENTER	100	162,996	176,489	3,142	13,493	16,635	9%
15/216	CDBG	-	520,332	520,332	-	-	•	n/a
20	MUSEUM RENTAL	442	231,306	232,806	•	32,300	32,300	14%
25	ASSET SEIZURE	143	3,069	3,069	740	-	740	24%
26	OES/FEMA	-	34,060	34,060	-	20,000	20,000	59%
29	LIGHTING AND LANDSCAPE	46 200	420.070	-	-	-	•	n/a
32	ENVIRONMENT PROGRAMS	16,209 27,174	138,672	139,639	47,283	41,687	88,970	64%
4	MOBILE HOME PARK	27,174	318,170	384,242	93,752	88,856	182,608	48%
36	HOUSING MITIGATION FUND	871	70,335	70,335	4,218	-	4,218	6%
40	EMPLOYEE ASSISTANCE	-	1,032,119	1,032,119	-	15,000	15,000	1%
		24,243	40,000	40,000	24,243	-	24,243	61%
TALS	PEGIALIREVENUE FUNDS 思。	** 571,241 <sub>%</sub>	8,079,840	14.8.951.217	1,700,277	yes1,818,343∰	3,518,620	35%
APITAL	ROJECH FUNDS	Park Inc.			Sain II Therese	144 Table	GBCANEGO-LIFE	na salah santan barawa
1	PARK DEVELOPMENT							Analis di Maria
2	PARK MAINTENANCE	21,340	2,856,587	3,213,090	<b>57,</b> 079	49,987	107,066	3%
3	LOCAL DRAINAGE	30,422	165,000	170,422	30,422	10,804	41,226	24%
4	LOCAL DRAIN, NON-AB1600	290 44 <i>8</i>	1,866,589	2,094,305	687	•	687	0%
9	TRAFFIC MITIGATION	144 99,285	161,727	396,685	13,731	64,882	78,613	20%
1	POLICE MITIGATION	3,106	183,541	1,524,117	162,459	817,786	980,245	64%
3	FIRE MITIGATION	150,119	1,058,142	1,058,142	10,177	47,310	57,487	5%
7	RDA BUSINESS ASSISTANCE	1,563,985	1,428	1,428	150,476		150,476	10538%
7/328	RDA HOUSING	1,563,965	19,353,409	32,360,149	8,215,906	5,161,925	13,377,831	41%
6	PUBLIC FAC.NON AB1600	104,300	6,313,976	6,888,925	1,179,561	124,339	1,303,900	19%
7	PUBLIC FACILITIES	49.000		-	-	-	-	n/a
	LIBRARY IMPACT	12,960 17	56,412	1,155,026	30,462	889,291	919,753	80%
ŝ		17	208	208	69		69	33%
s 0	UNDERGROUNDING	34	730,404	730,404	135			



FUND NO.		THIS						
	FUND/ACTIVITY	MONTH ACTUAL	ADOPTED	AMENDED	VTO			PERCENT
	I SILDIZIOTIVITI	EXPENSES	BUDGET	AMENDED BUDGET	YTD	OUTSTANDING	TOTAL	TOTAL T
		CAI EITOLO	DODGE	BODGET	EXPENSES	ENCUMBRANCE	ALLOCATED	BUDGE
<u>)ebt se</u>	ERVICE EUNDS ACTIVE CONTRACTOR		ana d <b>a ka</b> asa	and the same			ovi saldikasi	
27	HIDDEN CREEK A.D.	-	-		_	_		n/a
i36	ENCINO HILLS A.D.	-		-	500	•	500	n/a n/a
39	MORGAN HILL BUS, PARK A.D	-	-	-	562		562	n/a
42	SUTTER BUS. PARK A.D.		-	-		-	-	n/a
45	COCHRANE BUS. PARK A.D.	757	139,309	139,309	376,533	_	376,533	270%
51	JOLEEN WAY A.D.	729	42,569	42,569	2,619	-	2,619	6%
OTALE	DEBT SERVICE FUNDS		, 181,87 <b>8</b>	481,878	Sec. 214		( <sup>3</sup> 4380,214).	209%
								**************************************
NTERP	RISE FUNDS I (4)				1716	ellico (Pige		
EWER								
40	SEWER OPERATION	496,400	6,875,234	6,927,089	2,763,257	71,791	2,835,048	41%
41	CAPITAL EXPANSION	351,162	4,006,874	4,006,874	352,131	13,489	365,620	9%
42	SEWER RATE STABILIZATION	183	2,190	2,190	730	.,	730	33%
43	SEWER-CAPITAL PROJECTS	234,863	1,822,627	3.156,637	298,599	756,974	1,055,573	33%
OTAL \$	EWER FUND(S)	1,082,608	12,706,925	14,092,790	3,414,717	842,254	4,256,971	30%
/ATER						-		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Water Operations Division	885,956	6,948,657	8,646,405	1,968,800	292,733	2,261,533	26%
	Meter Reading/Repair	69,473	616,878	688,718	202,129	238,644	440,773	∠6% 64%
	Utility Billing	26,733	347,753	458,755	101,805	123,684	225,489	49%
	Water Conservation	827	11,320	11,320	1,496		1,496	13%
50	WATER OPERATIONS	982,989	7,924,608	9,805,198	2,274,230	655,061	2,929,291	30%
51	CAPITAL EXPANSION	313,202	900,234	3,123,047	336,207	803,225	1,139,432	36%
52	WATER RATE STABILIZATION	42	509	509	170	,	170	33%
	WATER-CAPITAL PROJECTS	92.482	810,955	4,622,731	385,239	1.345.616	1.730.855	37%
OTAL W	/ATER FUND(S)	1,388,715	9,636,306	47 EEA 40E				<u> </u>
OTALE	NTERPRISE FUNDS	12 <b>47</b> 4 323 ##		17,551,485	2,995,846	. 2,803,902	5,799,748	33%
	NIERPRISE FUNDS	~244,923 <b>(</b> )			w 6.410.562	, 2,803,902	##40,056,749 #	32%
ITERNA	NTERPRISE FUNDS	2.47.1,923					##40,056,749 #	
ITERNA 80	LISERVICE FUNDS	-2,47J,323 <b>3</b>			w 6.410.562	3 646 156	#410,0567719.	44, 1328, 4 1941
DERNA 30 30	LSERVICE FUNDS INFORMATION SERVICES BUILDING MAINTENANCE		22,343,231	31,644,27 <u>5</u>	#46,410,563	149,983	343,320	32% in
TERNA 60 60 65	LSERVICE FLINDS INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING	31,805	586,190	653,455	46,410,563 433 193,337	3,646,156 h	343,320 196,504	53% 53% 30%
TERNA 30 30 35 35	LSERVICE FUNDS INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT	31,805 43,812	22,943,231 586,190 588,128	31,644,275 653,455 659,440	193,337 157,444	149,983	343,320 196,504 546,289	53% 53% 30% 40%
ITERNA 30 30 30 35 30 70	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION	31,805 43,812 131,050	586,190 588,128 1,308,227	653,455 659,440 1,374,356	193,337 157,444 379,570	149,983 39,060 166,719	343,320 196,504 546,289 7,535	53% 53% 30% 40% 30%
ITERNA 30 30 30 35 30 30	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT	31,805 43,812 131,050 7,535 33,382 136	586,190 588,128 1,308,227 25,000	653,455 659,440 1,374,356 25,000	193,337 157,444 379,570 7,535	149,983 39,060 166,719 - 44,225	343,320 196,504 546,289 7,535 305,784	53% 30% 40% 30% 57%
TERNA 50 00 55 00 00 00	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION	31,805 43,812 131,050 7,535 33,382 136 7,147	586,190 588,128 1,308,227 25,000 482,200 186,472 227,600	653,455 659,440 1,374,356 25,000 539,025	193,337 157,444 379,570 7,535 261,559	149,983 39,060 166,719	343,320 196,504 546,289 7,535 305,784 13,175	53% 30% 40% 30% 57% 7%
TERNA 30 40 45 50 70 90	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT	31,805 43,812 131,050 7,535 33,382 136	586,190 588,128 1,308,227 25,000 482,200 186,472	653,455 659,440 1,374,356 25,000 539,025 186,472	193,337 157,444 379,570 7,535 261,559 628	149,983 39,060 166,719 - 44,225 12,547	343,320 196,504 546,289 7,535 305,784	53% 30% 40% 30% 57%
TERNA 30 40 45 50 70 90 93 35	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530	586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091	53% 53% 30% 40% 30% 57% 7% 199% 5%
DERNA 60 60 65 60 60 60 60 60 60 60 60 60 60 60 60 60	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530	586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091	53% 30% 40% 30% 57% 7% 199% 5%
DERNA  O O O O O O O O O O O O O O O O O O	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530	586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091	53% 30% 40% 30% 57% 7% 199% 5%
ITERNA  30  30  35  31  35  SENCO	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS.  HUNDS:	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33734,4174	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091	53% 30% 40% 30% 57% 7% 199% 5%
ITERNA 30 40 45 50 70 70 33 55 2TALIN 1	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 256,397	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33734,417 730,155 89,995	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4,406,318	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,934 505,746 104,701	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091	53% 30% 40% 30% 57% 7% 199% 5%
TERNA 30 30 35 35 2TALIN 1 2 3	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH II	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 266,397	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33734,417 730,155 89,995 883,336	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4,106,318 730,155 89,995 883,336	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,9344 505,746 104,701 579,806	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,100,690	53% 30% 40% 30% 57% 7% 199% 5%
TERNA 30 30 31 55 2TALIN 2ENCA 1 2 3 5	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH 198 MADRONE BP-TAX EXEMPT	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 266,397 903 1,131 3,520 1,139	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33,734,417 730,155 89,995 883,336 1,084,479	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4406,318 =	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,934 505,746 104,701 579,806 491,715	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,100,690	53% 30% 40% 30% 57% 7% 199% 5% 512%
TERNA 30 40 45 50 70 70 71 71 72 73 75 76	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH 98 MADRONE BP-TAX EXEMPT MADRONE BP-TAXABLE	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 266,397 903 1,131 3,520 1,139 672	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33734,417 730,155 89,995 883,336	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4,106,318 730,155 89,995 883,336	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,934 505,746 104,701 579,806 491,715 99,227	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,100,690 505,746 104,701 579,806	53% 30% 40% 30% 57% 7% 199% 5% 512%
TERNA 30 40 45 50 70 90 13 15 TALIN 2 3 5 6 8	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE  TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH 98 MADRONE BP-TAX EXEMPT MADRONE BP-TAXABLE TENNANT AVE BUS PARK AD	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 266,397 903 1,131 3,520 1,139	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33,734,417 730,155 89,995 883,336 1,084,479	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4406,318 =	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,934 505,746 104,701 579,806 491,715	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,199,690 505,746 104,701 579,806 491,715	53% 30% 40% 30% 57% 7% 199% 5% 51% 69% 116% 66% 45%
TERNA 30 40 45 50 70 90 13 15 TALIN 2 3 5 6 8	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH 98 MADRONE BP-TAX EXEMPT MADRONE BP-TAXABLE	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 266,397 903 1,131 3,520 1,139 672	22,343,231 586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 33,734,417 730,155 89,995 883,336 1,084,479	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4406,318 =	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 4,597,934 505,746 104,701 579,806 491,715 99,227	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,199,690 505,746 104,701 579,806 491,715 99,227	53% 30% 40% 30% 57% 7% 199% 5% 51% 69% 116% 66% 45% 54%
DERIVA  0 0 5 0 0 0 3 5  TALIN  1 2 3 5 6 8 1	INFORMATION SERVICES BUILDING MAINTENANCE CIP ENGINEERING UNEMPLOYMENT WORKERS COMPENSATION EQUIPMENT REPLACEMENT CORP YARD COMMISSION GEN. LIABILITY INSURANCE  TERNAL SERVICE FUNDS  MORGAN HILL BUS RANCH I MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH II MORGAN HILL BUS RANCH 98 MADRONE BP-TAX EXEMPT MADRONE BP-TAXABLE TENNANT AVE BUS PARK AD	31,805 43,812 131,050 7,535 33,382 136 7,147 1,530 255,397 903 1,131 3,520 1,139 672 21	586,190 588,128 1,308,227 25,000 482,200 186,472 227,600 330,600 3,734,417 730,155 89,995 883,336 1,084,479 183,851	653,455 659,440 1,374,356 25,000 539,025 186,472 337,970 330,600 4,106,318 730,155 89,995 883,336 1,084,479 183,851	193,337 157,444 379,570 7,535 261,559 628 582,770 15,091 1597,924 505,746 104,701 579,806 491,715 99,227 836	149,983 39,060 166,719 - 44,225 12,547 90,222	343,320 196,504 546,289 7,535 305,784 13,175 672,992 15,091 2,100,690 2,100,690 491,715 99,227 836	53% 30% 40% 30% 57% 7% 199% 5% 51% 69% 116% 66% 45% 54% n/a n/a



City of Morgan Hill
Enterprise Funds Report - Fiscal Year 2002/03
For the Month of October 2002
33% of Year Completed

#### XTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

		Sewer Ope	rations			Water Ope	rations	
			% of	Prior		***	% of	Prior
C	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
Operations								
Revenues								
Service Charges Meter Install & Service	\$ 5,389,650	\$ 1,896,668	35%	\$ 1,777,741	\$ 5,855,915 48,000	\$ 2,952,523 18,185	50% 38%	\$ 2,761,718 25,046
Other	113,900	50,697	45%	57,229	155,566	211,850	136%	161,770
Total Operating Revenues	5,503,550	1,947,365	35%	1,834,970	6,059,481	3,182,558	53%	2,948,534
Expenses			,					
Operations Meter Reading/Repair Utility Billing/Water Conservation	3,924,903	841,214	21%	1,166,879	4,323,117 616,878 359,073	978,468 132,656 75,742	23% 22% 21%	1,238,978 136,224 94,257
Total Operating Expenses	3,924,903	841,214	21%	1,166,879	5,299,068	1,186,866	22%	1,469,459
Operating income (Loss)	1,578,647	1,106,151	4-	668,091	760,413	1,995,692		1,479,075
Nonoperating revenue (expense)								
Interest Income Interest Expense/Debt Services Principal Expense/Debt Services	295,119 (1,403,954) (655,000)	' ' '1	13% 49% 97%			- -		54,318 - -
Total Nonoperating revenue (expense	(1,763,835)	(1,290,258)		(1,317,952)	(321,040)	-		54,318
Income before operating xfers	(185,188)	(184,107)	4	(649,861)	439,373	1,995,692		1,533,393
Operating transfers in Operating transfers (out)	(891,377)	(97,844)	11%	- - (87,636)	173,877 (2,077,500)	43,469 (104,375)	25% 5%	58,514 (121,667)
Net Income (Loss)	\$ (1,076,565)	\$ (281,951)		\$ (737,497)	\$ (1,464,250)	\$ 1,934,786		\$ 1,470,240



City of Morgan Hill **Balance Sheets - Water and Sewer Funds** October 31, 2002 33% of Year Complete

	Sewer Operations (640)	Sewer Expansion Stabilization Capital Projects (641-643)	Water Operations (650)	Water Expansion Stabilization Capital Projects (651-653)
ASSETS IN ALL AND ASSETS AND ASSETS				
Cash and investments:				
Unrestricted	4,253,698	7,015,710	3,874,159	4,991,639
Restricted <sup>1</sup>	1,907,672	5,651,642	392,155	627,114
Accounts Receivable			,	
Utility Receivables	940.755	5,932		
Less Allowance for Doubtful Accounts	812,755 (15,230)		1,046,765	
Notes Receivable <sup>2</sup>	(10,200)	107,585	(57,625)	
Fixed Assets <sup>3</sup>	33,230,110	7,321,152	24,217,670	5,644,680
Other Assets	0			0,044,000
Total Assets	40,189,005	20,102,021	29,473,124	11,263,433
EABILITIES - CASE - COMMON AND AND AND AND AND AND AND AND AND AN				
Accounts Payable and Accrued Liabilities Deposits for Water Services Deferred Revenue <sup>4</sup>	386,803	204,953	66,259 45,720	
Bonds Payable	25,390,000		6,205,194	
Discount on Bonds and Other Liabilities	(2,162,478)		(1,016,593)	
Accrued Vacation and Comp Time	40,560		64,885	:
Total liabilities	23,654,885	204,953	5,365,465	0
FUND EQUITY AND		····		
Contributed Capital Retained Earnings	7,155,284		13,742,872	
Reserved for:				
Noncurrent water/sewer assets & debt	11,080,485	7,321,152	19,200,313	5,644,680
Encumbrances	71,791	770,463	655,061	2,148,841
Notes Receivable		107,585		
Restricted Cash	1,907,672		392,155	
Total Reserved Retained Earnings	13,059,948	8,199,200	20,247,529	7,793,521
Unreserved Retained Earnings	3,474,172	11,697,868	3,860,130	3,469,912
Total Fund Equity	16,534,120	19,897,068	24,107,659	11,263,433
Total Liabilities and Fund Equity	40,189,005	20,102,021	29,473,124	11,263,433

<sup>&</sup>lt;sup>1</sup> Restricted for Bond Reserve requirements and capital expansion.

<sup>&</sup>lt;sup>2</sup> Includes Note for Sewer Financing Agreements.

<sup>&</sup>lt;sup>3</sup> Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.

<sup>&</sup>lt;sup>4</sup> Includes the deferred payment portion of the loans noted above.



City of Morgan Hill Balance Sheets for Major Funds - Fiscal Year 2002-2003 October 31, 2002 33% of Year Complete

	General Fund	RDA: (Eund 3:17)	L/M Housing. (Fund \$27/328)	Sewer.	Water () (Fund 650)
ASSETS THE THE PARTY OF THE PAR				Marie 1 (1)	
Cash and investments:					
Unrestricted Restricted <sup>1</sup>	10,632,097	12,638,626	2,635,106	4,253,698	3,874,159
Accounts Receivable	4,050 875,607		20	1,907,672	392,155
Utility Receivables (Sewer and Water)	<u> </u>			812,755	1,046,765
Less Allowance for Doubtful Accounts Loans and Notes Receivable <sup>2</sup>				(15,230)	(57,625)
Loans and Notes Receivable	460,990	3,158,401	22,708,329		
Due from other Funds					
Fixed Assets <sup>3</sup>		71,049		33,230,110	24,217,670
Other Assets					
Total Assets	11,972,744	15,868,076	25,343,455	40,189,005	29,473,124
LIABILITIES	·				
Accounts Payable and Accrued Liabilities	161,978	11,047	10,318	386,803	66,259
Deposits for Water Services  Deferred Revenue 4			,		45,720
Bonds Payable	540,731	999,969	5,549,211	25 200 000	0.005.404
Discount on Bonds and Other Liabilities	301,995			25,390,000 (2,162,478)	6,205,194 (1,016,593)
Accrued Vacation and Comp Time	123,769	5,249	2,162	40,560	64,885
Total liabilities	1,128,473	1,016,265	5,561,691	23,654,885	5,365,465
FUNDEQUITY					
Contributed Capital				7,155,284	13,742,872
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				11,080,485	19,200,313
Encumbrances Restricted Cash	205,296	5,161,925	124,339	71,791	655,061
Impact Fee Capital Improvements				1,907,672	392,155
Advance to Other Funds					
RDA properties held for resale Loans and Notes Receivable		71,049			ĺ
Ecumenical Housing/Via Ciolino		2,158,430	17,159,118		
Total Reserved Fund Equity	227 222				
• •	205,296	7,391,404	17,283,457	13,059,948	20,247,529
Designated Fund Equity <sup>5</sup>	3,382,000				
Unreserved Fund Equity	7,256,975	7,460,407	2,498,307	3,474,172	3,860,130
Total Fund Equity	10,844,271	14,851,811	19,781,764	16,534,120	24,107,659
Total Liabilities and Fund Equity	11,972,744	15,868,076	25,343,455	40,189,005	29,473,124

<sup>&</sup>lt;sup>1</sup> Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

<sup>2</sup> Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

Includes Water and Sewer Infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

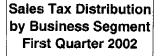
<sup>&</sup>lt;sup>4</sup> includes the deferred payment portion of the loans noted above.

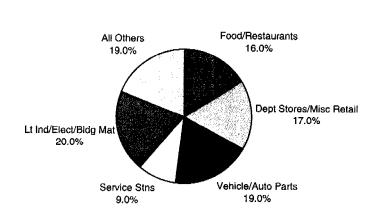
<sup>&</sup>lt;sup>5</sup> Designated for economic uncertainty, emergencies, and Fire Master Plan implementation

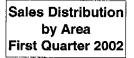


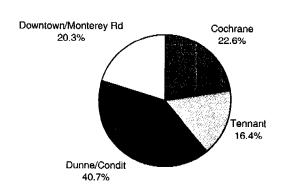
City of Morgan Hill Sales Tax Comparison - Fiscal Year 2002/03 For the Month of October 2002 33% of Year Complete

	Amount Collect	ed for Month fo	r Fiscal Year	Amount Colle	cted YTD for	Fiscal Year	Comparison of YT	D for fiscal years
Month	02/03	01/02	00/01	02/03	01/02	00/01	02/03 to 01/02	02/03 to 00/01
July	\$367,600	\$377,700	\$306,000	\$367,600	<b>#</b> 277 700	#000 000	(40.400)	
					\$377,700	\$306,000	(10,100)	61,600
August	\$447,000	\$503,600	\$408,000	\$814,600	\$881,300	\$714,000	(66,700)	100,600
September	\$361,932	\$437,056	\$584,766	\$1,176,532	\$1,318,356	\$1,298,766	(141,824)	(122,234)
October	\$354,915	\$339,000	\$319,200	\$1,531,447	\$1,657,356	\$1,617,966	(125,909)	
November		\$452,000	\$425,600		\$2,109,356	\$2,043,566	The same of the sa	The second section of the section of
December		\$538,465	\$524,333		\$2,647,821	\$2,567,899		
January		\$393,900	\$337,700		\$3,041,721	\$2,905,599		
February		\$466,068	\$450,200		\$3,507,789	\$3,355,799		
March		\$351,548	\$607,260		\$3,859,337	\$3,963,059		
April		\$341,042	\$324,700		\$4,200,379	\$4,287,759		
May		\$461,500	\$432,900		\$4,661,879	\$4,720,659		
June		\$275,116	\$811,473		\$4,936,995	\$5,532,132		
Year To Da	te Totals			\$1,531,447	\$4,936,995	\$5,532,132		
Sales Tax E	Sudget for Year			\$5,330,000	\$5,300,000	\$4,462,817		
Percent of	Budget			29%	93%	124%		
Percent of	increase(decreas	se)				.= 170	-8%	-5%









	ared By:
1	,
Mun	icipal Srvcs Assist.
Appı	roved By:
BAH	S Director
	nitted By:

#### **BI-ANNUAL VACANCY RATE SURVEY**

**RECOMMENDED ACTION(S):** Establish the bi-annual vacancy rate for October 2002 as recommended by the Planning Commission.

**EXECUTIVE SUMMARY:** According to the Morgan Hill Municipal

Code, Chapter 17.36 relating to Condominium Conversions, the apartment vacancy rate shall be established in April and October of each year on the basis of a representative sampling of apartment buildings. The vacancy rate survey must be submitted and accepted by both the Planning Commission and the City Council.

The most recent housing estimates from the State Department of Finance dated January 1, 2000 indicates a total of 1,691 multi-family units. Survey results account for over 50% of all such units; senior housing units are not included in the sampling but are included as supplemental information. Also, for general information purposes, included is a brief summary of current rent rates as compared to rent rates reported six months ago.

The survey has been completed and is attached. On October 22, 2002, the Planning Commission accepted the survey results which established the vacancy rate for October 2002 at 3% It is recommended that the Council accept the Planning Commission's survey findings.

FISCAL IMPACT: N/A



### CITY COUNCIL STAFF REPORT

MEETING DATE: November 20, 2002

Agenda	Item	#	3

**Prepared By:** 

Assistant to the City Manager

**Submitted By:** 

City Manager

## FOOD DRIVE COSPONSORSHIP RECOMMENDED ACTION(S):

Direct Staff to Administer a 2<sup>nd</sup> Harvest Food Drive

**EXECUTIVE SUMMARY:** The City has received a request from the 2<sup>nd</sup> Harvest Food Bank to support their Holiday Food Drive. The demand for their services grew 19% last year and is expected to grow an additional 5% this year. City staff would like to host a food barrel in the lobby at City Hall and to encourage employees and the community to donate food.

Since City policy is that only organizations meeting one of the following criteria can utilize City resources:

- 1) Other governmental agencies;
- 2) Organizations with which the City has established a contract if the use of the City's resource relates to the organization's fulfillment of the contract; or
- 3) Events that the City has specifically cosponsored;

staff is asking the Council to officially cosponsor the 2<sup>nd</sup> Harvest Food Drive and to direct staff to host a food barrel.

**FISCAL IMPACT:** No budget adjustment is requested at this time.



#### CITY COUNCIL STAFF REPORT

CITY OF MORGAN HILL MEETING DATE: NOVEMBER 20, 2002

TITLE: **PERFORMANCE** MEASURE **UPDATE** 

**NOVEMBER 2002** 

Finance Director

Approved By:

Agenda Item # 4

Prepared By:

Chu Thai

**Submitted By:** 

City Manager

**RECOMMENDED ACTION:** 

Receive and file

#### **EXECUTIVE SUMMARY:**

The City implemented Performance Measures into the FY 2002/03 Operating and Capital Budget. Performance measures provide a framework for the strategic planning. City workplan, and goal-setting processes, serve as a tool for communicating organizational performance, and provide a structured approach for linking budget decisions to public priorities.

On a quarterly basis, staff will be presenting Performance Measure Updates to the City Council. Attachment A is the update for the first quarter of FY 2002/03.

**FISCAL IMPACT:** 

None.

09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	

[010-1100] CITY COUNCIL				Responsibility: City Clerk's Office
Council/Redevelopment Agency Meeting Minutes produced	51	51	23	
Time required to draft, proof and edit minutes	1.5 hours for every 4 hours of meeting time	1.5 hrs for every 4 hours of meeting time		
Total Hours	360		90	
Percentage of Minutes completed without errors of fact	100%	100%	100%	
Completing Minutes within 2 weeks	100%	100%	100%	

[010-1220] COMMUNITY PROMOTIONS Responsibility: City Cle						
Proclamations Produced	50	50	29			
Staff time to coordinate/draft requests for proclamations for Council members, staff and outside requests	2 hours	1.5 hours	1 hour (average)	Assigned staff has become proficient and efficient in the preparation of proclamations. Thus, the reason for time reduction.		
Hours to produce all proclamations	100	75	29 hours			
Percentage of Proclamations completed for a particular meeting date, as requested	100%	100%	100% to date			

010-2410] COUNCIL SERVICE	ES & RECORDS MAI		Responsibility: City Clerk's Office	
Staff number(s)/time needed to research/copy requests for public records	500	661	199	
Amount of time to research/copy request for public records	95% – 1 day 4% – within 10 days 1% – 10+ days	77% 20% 3%	84% 15% 1%	Because the Record's Center is off-site, requests usually are filled only once per week. This causes the "within 10 days" rate to rise above the goal of 4%. Also, these counts do not reflect all requests for information received. Verbal and telephone requests for information are usually not documented, which brings down the totals and the statistical average for "1-day" responses. These types of requests would probably add an average of 5 per day to our "1-day" response totals or 240-300 per year.

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09/30/02 Update Performance Measure	Projected Result for 2001-02 in budget	Actual Result for 2001-02	Status of measure as of September 30, 2002	Explanatory Comments (as needed)		
[010-2420] ELECTIONS DIVI	[010-2420] ELECTIONS DIVISION Responsibility: City Clerk's Off					
Number of Statement of Economic Interests filed	95	95	- 0 -	Annual statements of Economic Interests are based on Calendar year and are typically due in April. The City Attorney is reviewing the City's Conflict of Interest Code that designates positions subject to filings. It is anticipated that the Council will amend the Conflict of Interest Code by December 2002. Once the Council takes this action, the number of designated positions can be identified.		
Percentage filed by deadline	99%	93%	N/A	No statements filed to date		
Percentage filed late	1%	7%	N/A	No statements filed to date		

[010-1500] CITY ATTORNEY	Responsibility: City Attorney's Office			
Standard contracts reviewed within ten days	93%	100%	100%	
Amended Municipal Chapter Codes adopted by the City	3	100%	100%	
Hours of MCLE	10	10	6.25	
Closure of more than 50% of defense cases under \$75,000 in legal fees	100%	100%	100%	

[010-2100] CITY MANAGER				Responsibility: City Manager's Office
Percentage of workplan projects, City-wide, that are completed within the planned time frame	68%	29%	Not available	50% of projects were completed in 2001-02. The remaining projects either were not completed, were carried over to 02-03, or were scheduled to be multi-year projects. 36% of the workplan projects were expected to be multi-year projects.
Actual General Fund expenditures as a percentage of the adopted General Fund budget	94%	91.80%	21.20%	
Level of City General Fund reserves as a proportion of adopted General Fund budget	67%	71.10%	69.70%	

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09/30/02 Update Performance Measure	Projected Result for 2001-02 in budget	Actual Result for 2001-02	Status of measure as of September 30, 2002	Explanatory Comments (as needed)
[010-5140] CABLE TELEVIS	SION			Responsibility: City Manager's Office
Number of cable complaints received	14	18	6	
Number of cable complaint processes completed	12	18	6	

Unavailable

2

Unavailable

Average number of days taken to completely process each cable complaint

[010-5145] COMMUNICATIONS AND MARKETING				Responsibility: City Manager's Office
Pages of City Visions produced	62	62	16	
Dollars (not inclusive of staffing) spent on producing City Visions.	\$52,777	\$53,848	\$13,400	
Dollars per page of City Visions produced and distributed.	\$851 per page	\$869	\$838	

[232-5800] SOLID WASTE MA	Responsibility: City Manager's Office			
Dollars spent communicating recycling information (excluding employee services)	\$77,500	\$59,948	\$2,785	Only 2 months reported; no Sept. data yet
Tons of recycling collected	8,200	8243	1406	
Number of environmental promotions distributed	8	11	5	
Percentage of customers ranking their solid waste management services "good" or "excellent"	93	93	N/A	Biennial measure
Percentage of customers who say they have enough information to properly participate in the City's recycling program	92	92	N/A	Biennial measure
Percentage of customers participating in the recycling program	62	62	N/A	Biennial measure
Solid waste diversion rate	53%	53%	N/A	Annual measure
Dollars spent communicating recycling information / tons of recycling collected	9.45	7.27	1.98	

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09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	

[010-2110] RECREATION DIVISION			Responsibility: Recrea	tion and Community Services Division
Overall cost of staff time to develop Recreation Guide, recruit instructors, negotiate contracts	\$4,800	\$15,015	\$9,234.23 (Summer 02)	Due to a 60% increase in the number of classes offered from FY 01 to FY 02, staff time to develop the Recreation Guide, recruit instructors, negotiate contracts has increased to 70% of overall time.
Overall cost produce and advertise recreation classes	\$1,300	\$1,620.17	\$1,918.19	
Number of participants	788	1466	573	
Percent of increase/decrease of customer satisfaction from prior year	N/A	N/A	N/A	
Cost per participant to produce Recreation Guide	\$7.74	\$11.35	\$19.46	

[010-2200] HUMAN RESOURC	010-2200] HUMAN RESOURCES OFFICE Responsibility: Human Resources Department				
Cost of providing 24 hours of enhanced training (beyond legal requirements) to each employee per year (est. \$250 per employee)	\$43,750	\$9,711	\$14,347.87	01-02 \$ spent very cautiously on mandatory training until enhanced training plan was determined02-03 beginning enhanced training plan during 1st quarter on target w/budget	
Number of recruitment processes which include selection criteria such as: flexibility, change management, attitude to work, fit for the organization, etc., in addition to the task requirements of the position	Est. 20	13 out of 26 recruitments	3 out of 3 recruitments	All recruitment processes now include customized selection criteria, however, total number of recruitments are down for this quarter	
Number of employees recognized for exemplary customer service, new ways of accomplishing work, successful cost reducing ideas, years of service.	Est. 50	25	59	The "Pass the Buck" campaign recognized many more employees during the 1st quarter instead of just during the employee recognition event during 01-02	
Number of HR staff hours spent in training, communicating and consulting to the number of HR staff hours spent recruiting to fill vacant positions.	Est. 1 to 3	1 to 4	2 to 3	Fewer recruitments in 02-03 and more emphasis on personal contact and training	
Cost to recruit and hire a new employee	\$3,500	\$3,800	\$1,300	Better labor market results in less advertising costs/these are hard costs only and do not include HR staff time nor time of internal raters serving on panels	

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Performance Measure	budget		September 30, 2002	
[010-2210] VOLUNTEER SEI	RVICES PROGRAM		Respons	sibility: Human Resources Department
Number of external requests for municipal volunteer opportunities to number of actual placements	5 to 3 60%	75 to 15 20%	22 to 10 45%	The number of citizens who want to volunteer for the City to the number of placements
Number of internal requests for volunteers to number of actual placements.	5 to 4 80%	10 to 9 90%	3 to 3 100%	The number of staff for requests for volunteer help to the number of placements

Projected Result for 2001-02 in Actual Result for 2001-02

Status of measure as of Explanatory Comments (as needed)

09/30/02 Update

[770-8220] WORKERS COMF	PENSATION INSURA	Responsibility: Human Resources Department		
Number of workers' compensation claims involving temporary disability benefits	8	7	1	Counts NEW claims only
Number of lost work days caused by temporary disability	350	841	208	Counts days off on ALL open claims
Average length of time to bring an injured employee off temporary disability	55	120	52	

[010-2510] FINANCE	Responsibility: Finance Department			
Staff hours designated for Accounts Payable	2,000 hours	1,800 hours (est.)	500 hours	
Invoices processed	8,892	13,885 (est.)	3,616	Previously was # checks
% of invoices paid by due date	82%	91% (est.)	86%	(3,113 paid on time)
Average time to process an invoice	13.2 minutes	7.71 minutes (est.)	7.23 minutes	

[650-5750] UTILITY BILLING	G – SEWER & WATER		Responsibility: Finance Department	
Staff hours per year	4,168	4,168	1125	1/4 of productive hours
Bills processed per year	132,228	132,228	30,411	And 30,977 payments entered
Percent sent out error free	99.96%	99.96%	99.85%	15 errors estimate/month
Average time to process a bill	1.89 minutes	1.89 minutes	2.22 minutes	1st Q average # accts/estimate 1st Q staff hrs

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09/30/02 Update Performance Measure	Projected Result for 2001-02 in budget	Actual Result for 2001-02	Status of measure as of September 30, 2002	Explanatory Comments (as needed)
[795-8210] GENERAL LIABII	LITY INSURANCE			Responsibility: Finance Department
Percent of claims responded to within the statutory time frame of 45 days, either through a rejection of the claim or through a proposed resolution.	85%	78%	100%	

[010-3205] POLICE ADMINIS	TRATION			Responsibility: Police Department
Hours spent processing citizens' complaints regarding police services.	Monthly	N/A	13	
Percentage of formal citizens' complaints resolved within 30 days of receipt.	Monthly	N/A	July – 0 Aug – 0 Sept – 0	July 1 cc-no return contact from complainant- report still open. Sept 2 cc-accepted during vacation-issued 10/05/02
Percent of sworn personnel who receive 24 hours of Continued Proficiency Training	Annually	61%	12%	
Deficiencies reported in the annual POST audit	Annually	03/22/0 13 sworn	09/11/02 2 sworn 2 dispatchers	Complete 2002 training by 01/01/03.All 4 have been assigned training prior to 2003

[010-3210] <b>POLICE PATROL</b>	OPERATIONS			Responsibility: Police Department
Number of hours of directed patrol targeting vehicle burglaries.	Daily	N/A	3 hours/24 hrs 276 hours	
Number of self initiated contacts compared to calls for service.	Monthly	SI/CFS 16,637/33,536	SI/CFS July to Sept – 3,582/8,571	
Vehicle burglary incident reports.	Monthly	229	July to Sept – 48	
Percent of clearance in Part I and Part II crime rates for Morgan Hill as compared to regional cities the national rate.	Monthly	Annual Average MH 18%/Natl 21%	Quarter Average MH 22%/Natl 21%	
Percent of Priority I calls responded to within 5 minutes of receipt.	Monthly	Annual Average 100%	Quarter Average 100%	
Number of fatal or injury collisions to the hazardous citations issued.	Monthly	N/A	0/281	

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09/30/02 Update Performance Measure	Projected Result for 2001-02 in budget	Actual Result for 2001-02	Status of measure as of September 30, 2002	Explanatory Comments (as needed)
[010-3225] POLICE SUPPOR	T SERVICES			Responsibility: Police Department
Hours dedicated to the property/evidence function.	Weekly	35 hours/week	35 hours/week	
Percent of property/evidence released or purged within 30 days of clearance.	Monthly	Annual Average 80%	Quarter Average 100%	
Percent of arrests entered into CJIC within 48 business hours of arrest date.	Monthly	Annual Average 95%	Quarter Average 100%	
Incident reports stored electronically.	Annually	100%	1297	

[010-3230] EMERGENCY SE	Responsibility: Police Department			
Hours of preparedness presentations given to the community.	Monthly	N/A	144 hours	
Number of organized CERT teams capable of operating within the City.	Monthly	N/A	4 teams of 15-25 members	
Emergency drills/exercises completed.	Monthly	N/A	3	1 full scale CERT disaster exercise2 table top exercises
Percent of the disaster plan updated annually.	Annual	N/A	2 new additions	2 Appendices for EOP near completion: Anderson Dam EOP and Terrorist Alert Protocol from Washington D.C.

[010-3245] POLICE SPECIAL	Responsibility: Police Department			
Investigations assigned to Special Operations.	Monthly	N/A	July to Sept – 21	
Incidents investigated by division personnel submitted to the District Attorney's Office requesting the issuance of a criminal complaint.	Monthly	N/A	July to Sept – 21	

[010-5450] ANIMAL CONTRO	Responsibility: Police Department			
Hours spent to enforce animal license provisions of State law and local ordinance.	Daily	8 hours/day	8 hours/day	
Animal licenses issued to Morgan Hill residents	Annual	2,978	July to Sept – 212	
Impounded animals in Morgan Hill returned to their owners within 4 days of impound	Annual	N/A	July to Sept – 12	
Number of unlicensed dogs impounded or owners cited to the number of licensed dogs	Annual	24/2,978	July to Sept – 32/212	

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09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	

[010-8270] POLICE DISPATCH SERVICES				Responsibility: Police Department
911 calls received	Annual	8,400	1,851	
Average time to answer 98% of 911 phone calls	Monthly	11 seconds	5 seconds	
Average time between when a Priority I call is answered and a unit is dispatched.	Annually	N/A	1:41	
Percent of data entry of incident reports completed within 7 days of report conclusion.	Annually	98%	100%1	<sup>1</sup> Reports are completed at a 2 day average

[206-5120] PLANNING			Responsibility:	Community Development Department
Number and percent of SR Applications processed within 90 days (excluding CEQA projects requiring initial study or EIR)	6 applications 85%	16 applications; 3 incomplete 92%	9 applications 6 completed within 90 days of appl. = 100%	2 applications are incomplete, 1 in process (90 days not up)
Number of applications filed which require Architecture Review Board, Planning Commission or City Council approval	81	144	51	
Percent of RDCS Projects provided 30-day notice of default or expiration of allotment	70%	70%	93%	
Number of applications (which require ARB, PC or CC approval) processed per planner	Senior – 28 Assoc – 30 Asst – 6 Staff – 17	Senior – 49 Assoc – 59 Asst – 18 Staff – 18	Senior – 15 Assoc – 16 Asst – 11 Staff – 9	
Percent of DRC comments received on time	38%	80%	60%	Staff vacancy within one City Department has reduced the on-time response for DRC comments.

[206-5130] BUILDING DIVISI	Responsibility: Community Development Department			
Percentage of inspections accomplished within a 24 hour response timeline	86%	88%	97.30%	
Total number of complaints and cases processed	404	404	62	
Number of Code Enforcement cases investigated or mitigated	375	375	75	
Percent of Code Enforcement cases completed and closed	93%	93%	51%	Total percentage reduced due to not having a code enforcement officer for 2 months

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09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	, , ,

[010-5440] PUBLIC WORKS PARK MAINTENANCE			Responsibility: Public Works Department		
Customer Work Order Response Time					
Non-Emergency	2 Working Days	N/A	2 Days	Data for July and August, 2002No emergency	
Emergency	Same Working Day	N/A	0	work orders reported	
Maintenance Cost per Acre	\$13,760/acre/year	\$11,611/acre/year	Result recorded annually		

[202-6100] PUBLIC WORKS STREET MAINTENANCE			Responsibility: Public Works Department		
Customer Work Order Response Time	O.Warking Davis	NI/A	2.0	O late data for hill and Allowet 2000 and	
Non-Emergency	2 Working Days	N/A	3 Days	Complete data for July and August, 2002 not	
Emergency	Same Working Day	N/A	1 Hour	available	
Miles of Roadside Weed Abatement	12 Curb Miles	12 Curb Miles	3 Curb Miles		
Tons of Debris Removed by Street Sweeping	400 Tons	290 Tons	48 Tons	Data for July and August, 2002	

[206-5410] PUBLIC WORKS ENGINEERING				sponsibility: Public Works Department
Number of Final Maps Recorded	10	12	14	
Number of Plan Checks returned on time	76/85	68/79	44/49	
Number of Planning/Building Division referrals received	97	76	32	
Hours spent inspecting public improvements constructed by private developers	4,000 hours	2,790 hours	640 hours	

[229-8351] PUBLIC WORKS LIGHTING & LANDSCAPE			Responsibility: Public Works Department	
Manage all sub-areas to reduce deficits in fund balances	10% reduction	48%	Result recorded annually	
Dalailles				

[640-5900] PUBLIC WORKS SEWER OPERATIONS				Responsibility: Public Works Department
Customer Work Order Response Time Non-Emergency	2 Working Days	N/A	2 Days	Data for July and August, 2002
Emergency	Same Working Day	N/A	11 Minutes	
Sewer Main Restrictions Cleared	18	20	5	

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09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	

[650-5710] PUBLIC WORKS WATER OPERATIONS			Res	sponsibility: Public Works Department
Customer Work Order Response Time				
Non-Emergency	2 Working Days	N/A	1 Day	Data for July and August, 2002
Emergency	Same Working Day	N/A	14 Minutes	

[650-5720] PUBLIC WORKS	METER READING			Responsibility: Public Works Department
Customer Work Order Response Time Non-Emergency Emergency	2 Working Days Same Working Day	N/A N/A	1 Day 0	Data for July and August, 2002No emergency work orders reported
Fire Hydrant Maintenance Performed	45	65	17	
Water Meter Tested - 2" or Greater	20	64	0	Meters are tested 3rd quarter 2003
Annual Cost to Read a Meter	\$0.71	\$0.68	\$0.64	Data for July and August, 2002Less time to read meters resulting from Radio Read installation

[650-5760] WATER CONSER	VATION		Re	sponsibility: Public Works Department
Cooperative efforts with Santa Clara Valley	1	1	3	
Water District to reduce water consumption				

[745-8280] PUBLIC WORKS	CIP ADMINISTRATIO	ON	Re	sponsibility: Public Works Department
Number of Engineering Division hours worked on all CIP Projects	14,600 hours	8,000 hours <sup>1</sup>	2,431.5 hours	<sup>1</sup> Estimate; accurate time card entry began 10/01.
Number of CIP projects awarded	10	10	3	
Percentage of CIP projects completed within Council approved contingency	90%	100%	Result recorded annually	
Hours spent inspecting public improvements constructed as CIP projects	1,500 hours	1,490 hours	924 hours	

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09/30/02 Update	Projected Result for 2001-02 in	Actual Result for 2001-02	Status of measure as of	Explanatory Comments (as needed)
Performance Measure	budget		September 30, 2002	

[317-7000] BUSINESS ASSIS	STANCE – ADMINIST	RATION Respor	nsibility: Business Assist	tance and Housing Services Department
Amount of value of building permits pulled for commercial tenant improvements	\$22mil	\$24mil	\$700,000	Downturn in economy
Number of business provided Ombudsman services, sent information or met with by a BAHS representative	250	N/A	800	Includes phone calls, meetings, e-mails from outside parties; plus over 400 brochures mailed out to brokers.
Amount of square footage in building permits pulled for new commercial/industrial office space	100,000	100,000	10,000	Downturn in economy
Amount of sales tax generated from new businesses	N/A	N/A	\$24,000	1st & 2nd Quarter 2002
Number of new businesses generating sales tax revenue	N/A	N/A	50	1st & 2nd Quarter 2002

[327-7100] HOUSING		Respons	sibility: Business Assista	ance and Housing Services Department
Number of BMR refinance, Rental and Ownership application	214	214	121	
Number of refinancing request and BMR applications approved	135	135	131	Includes applications received in FY 01/02 but processed in 02/03
Number of BMR Rental occupied and BMR units sold	22	26	15	
Number of BMR applications received and approved per F.T.E. staffing for the program	134/FTE	134/FTE	97/FTE	

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# REDEVELOPMENT AGENCY MEETING DATE: NOVEMBER 20, 2002

### SPORTS MANAGEMENT GROUP CONSULTING FEE AND SCOPE OF WORK FOR AQUATICS COMPLEX PROJECT

### **RECOMMENDED ACTION(S):**

Authorize the City Manager to Execute a Contract in the amount of \$45,000 with a 10% contingency to provide consulting services with design review, market analysis, fee structure, operational structure, and business plan development for the aquatics complex phase 1.

Agenda	1 Item # 5
Approv	ved By:
Recrea	tion &
	unity Services
	unity Services

City Manager

### **EXECUTIVE SUMMARY:**

The Sports Management Group have submitted a proposed scope of work per staff request to assist in the design review and market analysis of the first phase of the aquatics complex. Sports Management Group's services will provide the City with information regarding cost recovery, operating assumptions, and design impacts.

The attached scope provides for: Design Review, Market Analysis and Fee Development, Operational Structure, Business Plan Development, and Revenue Development including a five year projection of revenue for the amount of \$40,000 plus 10% in reimbursables. The scope of work is attached.

#### **FISCAL IMPACT:**

The \$45,000 would come from the Sports and Aquatics Complex/Aquatics portion of the CIP Budget Project Number #115000-6200 Professional Services.



# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

# COMMUNITY & CULTURAL CENTER PROJECT AND COMMUNITY PLAYHOUSE OCTOBER CONSTRUCTION PROGRESS REPORT

RECOMMENDED	<b>ACTION(S):</b>	Information	only
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Agenda Item # 6
Prepared By:
Project Manager
Approved By:
Public Works Director
Submitted By:
City Manager

**EXECUTIVE SUMMARY:** Previous Council action awarded the contract for construction of the Community & Cultural Center project to DPR Construction, Inc and the contract for construction of the Community Playhouse project to Kent Construction, Inc. At award, staff informed Council that we would report monthly on the progress of the construction on each project. The progress report for the month of October is attached. This report has been sent to our webmaster for posting on the City's website.

The Community & Cultural Center project is nearly completed and will be ready for the first public event on December 7, 2002. There may be some electrical items (site pole lights and exterior sconces) that will be completed in the month of December. As well, inclement weather could delay the completion of some of the landscaping. Otherwise, DPR is currently finishing the buildings & sitework and addressing punchlist items. Staff is expecting delivery of furnishings to begin on November 20<sup>th</sup>.

The Community Playhouse project is approximately two-thirds complete and has been delayed by the additional required structural upgrades. It is expected to be finished in mid-January barring any additional unforseen problems. The building is weather proof; however, inclement weather could also delay completion of some of the sitework.

FISCAL IMPACT: None at this time.



### CITY COUNCIL STAFF REPORT

MEETING DATE: November 20, 2002

### SOUTH VALLEY CIVIC THEATRE LEASE OF THE MORGAN HILL COMMUNITY PLAYHOUSE

### **RECOMMENDED ACTION(S):**

1) Approve the lease agreement with South Valley Civic Theatre ("SVCT") for use of the Morgan Hill Community Playhouse ("Playhouse"); and 2) Authorize the City Manager to execute the lease agreement and do whatever is necessary to effectuate the agreement.

Agenda Item # 7
Prepared By:
BAHS Manager
Approved By:
BAHS Director
Submitted By:
City Manager

**EXECUTIVE SUMMARY:** Staff has been working with representatives from SVCT since the inception of the Playhouse project, about two years ago, with the intent that the theater group would become the Home Company of the new Playhouse. After several months of negotiations, we have reached agreement with SVCT for the lease of the Playhouse.

The attached agreement stipulates that this is a non-exclusive lease and that SVCT must comply with the Community Playhouse Operating Policies and Procedures. While SVCT is currently the only committed leasee, the Playhouse will be available for use by the public and other performance groups. The agreement requires SVCT to provide some facility access on its non-use days to others. This arrangement will give the City the latitude it needs to maximize facility rentals and therefore revenues.

As Home Company, SVCT will be given first priority, on an annual basis, to select its rehearsal and performance dates on the Playhouse master calendar. SVCT is committed to five productions per year with an average of 10 performance days per production, over a four week period. It has agreed to a maximum of 14 rehearsal days per production. One use day will be allotted after each production for striking the set and load-out of the theater. In 2003, shows are planned in February ("Lend Me a Tenor"), March/April ("Follow That Rabbit"), May/June ("Sugar), August/September, and November/December.

The agreement will cover a three-year period, from Playhouse construction completion in January 2003, through December 2005. SVCT's rent for Year One is \$12,000, for Year Two is \$14,000, and for Year Three is \$16,000. In addition to these base rent payments, SVCT has agreed to pay the City three dollars per ticket sold beyond the first one hundred and twenty-five (125) tickets per performance, with a \$1,500 maximum pay-out per production, as supplemental rent. The Playhouse has a total seating capacity of 187. SVCT will also pay the City 5% of gross sales of all food and beverage concessions sold.

SVCT will provide at least one individual who will be a registered City Volunteer to act as site manager(s) and will be in charge of the facility during SVCT's use of the Playhouse (e.g., rehearsals and performances). The site manager will be responsible for the use, operation, and care of the theatrical equipment, the mechanical/electrical equipment, and the overall security of the building. While SVCT will "pick-up" after performances, the City will perform all janitorial work for the facility. The City will sell tickets for SVCT events during normal business hours of the Community and Cultural Center ("CCC"). SVCT will be allowed to advertise its productions at the CCC and in the Recreation and Community Services Activity Guide.

**FISCAL IMPACT:** The City will receive \$42,000 over the three year lease agreement, with the potential for up to \$22,500 in supplemental rent. City revenues for concessions sales are unknown at this time.

Attachment



# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

### CHANGE ORDER APPROVAL FOR ADDITIONAL WORK ON THE 2001/02 ROADWAY REPAIR AND SLURRY SEAL PROJECT

**RECOMMENDED ACTION(S):** Approve change order in the amount of \$30,250 for additional work on the 2001/02 Roadway Repair and Slurry Seal Project by contractor Silicon Valley Paving.

Agenda Item #8		
Prepared By:		
Junior Engineer		
Approved By:		
<b>Public Works Director</b>		
Submitted By:		
City Manager		

### **EXECUTIVE SUMMARY:**

On July 10, 2002, Council awarded a contract to Silicon Valley Paving for the 2001/02 Roadway Repair and Slurry Seal Project in the amount of \$147,222.75. On September 4, 2002, Council approved a change order for additional work to complete our budgeted 2002/03 street slurry work in accordance with our Pavement Management Report in the amount of \$76,315.

During the process of our pavement repairs at Murphy Springs/Fox Hollow and Calle Enrique area of the project, we noticed severe pavement distress in several areas along East Dunne Avenue, east of Highway 101. The requested change order is for additional pavement repair on East Dunne Avenue between Murphy Avenue and Peppertree Drive.

Staff has negotiated this change order with the contractor and work is deemed necessary to prevent further damage to the roadway during winter weather. Change orders that exceed bid contingency must be approved by Council. This project has a standard 10% contingency of \$22,354.

#### **FISCAL IMPACT:**

The total cost for this change order is \$33,275 (which includes a 10% contingency of \$3,025) and will be funded by the 2002-03 Capital Improvement Program (CIP) Budget, Project #519096, Pavement Rehabilitation Program, Street Maintenance fund. This change order will increase the total construction amount for the project to \$253,787.75, plus 10% contingency of \$25,379 for a total cost of \$279,166.75.



### APPROVAL OF CONTRACT CHANGE ORDER FOR MAIN AVENUE WELL DRILLING PROJECT

**RECOMMENDED ACTION(S):** Approve a contract change order in the amount of \$25,908 for the construction of the Main Avenue Well Drilling Project to increase size of casing.

Agenda Item # 9		
Prepared By:		
Senior Engineer		
Approved By:		
Public Works Director		
Submitted By:		
City Manager		

**EXECUTIVE SUMMARY:** On April 17, 2002, Council awarded a contract in the amount of \$103,879 to Maggiora Brothers Drilling for the construction of the Main Avenue Well Drilling Project.

The original scope of work for this project includes furnishing all materials, labor, equipment, fuel, tools, transportation and services for the drilling, construction, development, testing and completion of one 12-inch water supply, or production, well with a design capacity of 1,000 gpm. Due to problems encountered during the constuction of the City's recent completed new well at San Pedro, Maggiora Brothers Drilling and Luhdorff & Scalmanini Consulting Engineers, who performed the design, agreed on changing the size of the casing from 12-inch to 16-inch. The larger size casing will enable the contractor to use a different size of test pump which will reduce the number of hours needed to develop the proposed well. It will also give the City an option of lining the casing in the future if any problems arise with the casing without jeopardizing the production of the well.

Due to the need for all water wells to be operational during the spring/summer peak water consumption months and with the additional loss of Tennent Well this past Summer, this project was delayed. Construction is scheduled to start in December 2002 and will be completed by February 2003.

Staff recommends approval of the change order to Maggiora Brothers Drilling in the amount of \$25,908.

#### **FISCAL IMPACT:**

The new contract cost for this project is \$129,787, plus a 10% contingency of \$12,979 for a total contract cost of \$142,766. The project will be funded by the 2002-2003 Capital Improvement Program budget under New Water Well Construction, Project #601093.



### COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR SIGNING AND STRIPING FOR CLASS II BIKEWAYS

Agenda Item # 10
Prepared By:
Associate Engineer
Approved By:
Public Works Director
Submitted By:
Submitted by:
City Manager

### **RECOMMENDED ACTION(S):**

- 1. Adopt Resolution supporting the Signing and Striping for Class II Bikeways as the City's 2003-2004 Bicycle Transportation Account (BTA) project candidate.
- 2. Appropriate 10% matching funds of total project cost for construction. The estimated total project cost is \$86,000. In addition, City shall cover costs associated with planning and design.

**EXECUTIVE SUMMARY:** The California Department of Transportation (Caltrans) announced a call for projects for the 2003/2004 Bicycle Transportation Account (BTA) funding cycle. Projects funded must improve the safety and convenience to bicycle commuters. Eligible project categories include; new bikeways, bicycle parking facilities, traffic control systems, eliminating hazardous conditions, planning, and maintenance. As with other grants, the City's proposed project would compete for funding with other local agencies.

Staff recommends submitting an application for the 2003/2004 BTA funding cycle. The proposed project would be titled "Signing and Striping for Class II Bikeways". The project would consist of signing and striping for Class II bicycle lanes along Monterey Road, Butterfield Boulevard, Cochrane Road, Sutter Boulevard and Dunne Avenue. The existing pavement widths are adequate for the striping of bike lanes, except for a short segment on Dunne Avenue, in front of the nursery. Generally, the improvements will provide cyclists with a safe travel way to the Community Center, schools, downtown shops and restaurants, Madrone Business Park, and surrounding neighborhood parks. The proposed improvements on Dunne Avenue would extend the existing bike lanes to Gallop, thereby providing east Morgan Hill residents an important east/west connection route. Monterey Road and Butterfield Boulevard proposed bike lanes will provide cyclists with a major North/South connector route through the center of Morgan Hill. The improvement are consistent with the City's adopted Bicycle Master Plan and the City's General Plan.

This grant request was reviewed by the Bicycle and Trails Advisory Committee on November 14, 2002 and they supported the grant request.

**FISCAL IMPACT:** Funds for this project are currently not budgeted. Staff recommends that the City's 10% match be acquired from the unappropriated Street Fund Balance.

#### **RESOLUTION NO. 5625**

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL SUPPORTING GRANT FUNDING FOR SIGNING AND STRIPING FOR CLASS II BIKEWAYS

**WHEREAS**, Caltrans has announced a call for projects for the Bicycle Transportation Account (BTA), fiscal year 2003-2004 funding cycle;

WHEREAS, and the City has adopted a Bicycle Transportation Plan;

AYES: NOES: ABSENT:

WHEREAS, and the proposed project is included in the City's Bicycle Transportation Plan;

WHEREAS, and the Director of Public Works has submitted the project as the City's 2003/2004 BTA project candidate;

**THEREFORE, BE IT RESOLVED** by the City Council of the City of Morgan Hill, certifies the project as the City's 2003/2004 BTA project candidate for possible grant funding;

**AND BE IT FURTHER RESOLVED** that City Council certifies matching local funds of 10% of the total project cost for construction.

**PASSED AND ADOPTED** by the City Council of Morgan Hill at a Regular Meeting held on the 20th day of November, 2002 by the following vote:

ABSTAIN:
CERTIFICATION
I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5625 dopted by the City Council at the Regular City Council Meeting on November 20, 2002.

DATE:	
·	IRMA TORREZ, City Clerk

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.



# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

### FIRST QUARTER REPORT, 2002-03 WORKPLAN

Asst.	to City	<b>Manager</b>

Agenda Item # 11

Prepared By:

**Submitted By:** 

City Manager

### **RECOMMENDED ACTION:**

Accept report.

#### **EXECUTIVE SUMMARY:**

The attached report documents the current status of the FY 2002-03 workplan. Each department has reported their workplan progress as of September 30, 2002. As of that point, 5% of all projects were completed early, 60% were completed or were proceeding as scheduled, 33% were expected to be completed late, and 2% were on hold.

The reasons for delays in completing projects vary. Some projects, especially those that require substantial public input or coordination with the outside agencies, were difficult to keep on the original time frame. Examples include community resolution of the day laborer issue, deployment of terminals which access state and federal law enforcement information, and construction of the Boys Ranch reservoir. In the update of the Downtown Plan, additional community workshops were needed, extending the process. Internal issues have also been a factor in delays. The City has changed our approach to information technology management, creating a new and smaller IT Management Committee. The new Committee has not been able to begin development of e-government strategic plan on the schedule originally envisioned. In addition, incomplete staffing has impacted some workplan items as well, particularly in Community Development.

Other projects were placed on hold or delayed due to their ties to other incomplete processes. For example, the Council directed staff to delay development of City Council office space. The creation of a permanent skate and BMX park is on hold until an architect is selected to design the Indoor Recreation Center. Finally, the Monterey corridor assistance program is contingent on the completion of the downtown plan update.

In spite of the delays encountered in some projects, good progress is being made on many workplan items. Staff will report again on the workplan in February 2003.

#### **FISCAL IMPACT:**

No budget adjustment required.



### CITY COUNCIL STAFF REPORT

MEETING DATE: November 20, 2002

### EXTENSION OF CONTRACT FOR CONSULTANT PLANNING SERVICES

#### **RECOMMENDED ACTION:**

Authorize the City Manager to execute an extension to the consultant services agreement for contract planning services at a cost not to exceed \$30,000.

Agenda Item # 12
Prepared By:
Community
<b>Development Director</b>
Submitted By:
City Manager

#### **EXECUTIVE SUMMARY:**

The budget for FY 2002-2003 again includes funding for a new Senior Planner position. That position was added to undertake a number of important projects authorized by the Council including the update of the Zoning and Subdivision Ordinance, update of the Downtown Plan, update of the Design Review Ordinance and preparation of a greenbelt study. To date, we have been unable to fill this position. So as not to further delay the start of the above planning projects, the City retained the services of a contract planner to assist with these and other projects. The contract planner is authorized to work a maximum of 20 hours per week and is under contract through the end of November.

Staff is requesting that the Contract for Consultant Planning Services be extended from November 30, 2002 to June 30, 2003 and the amount of the contract be increased by \$30,000. The cost savings from the vacant Senior Planner position will be used to cover this additional expense.

#### **FISCAL IMPACT:**

There would be no net effect on the budget by approval of this contract. Funding will come from the unused salary during the Senior Planner recruitment process.



# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

### RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2002 QUARTERLY REPORT NO. 4

### **RECOMMENDED ACTION(S):**

Accept and File the RDCS Fourth Quarter Report.

#### **EXECUTIVE SUMMARY:**

Agenda Item # 13
Prepared By:

Planning Manager
Approved By:

Community
Development Director
Submitted By:

City Manager

In accordance with Section 18.78.150 of the Municipal Code, the Community Development Department is required to review, on a quarterly basis, each proposed development which has received a Residential Development Control System (RDCS) allotment. The purpose of this review is to determine whether satisfactory progress is being made with processing of the appropriate plans with the Community Development Department.

All of the residential projects in the Quarterly Report are proceeding according to approved development schedules or have requested extensions of time. During the fourth quarter monitoring period, RDCS/Measure "P" projects have secured 28 additional building permits and completed the construction of 25 homes.

Beginning with the next Quarterly Report, staff will include projected city population estimates based on dwelling units allocated to date that are not yet constructed. Unless Measure P is amended, this information will be necessary to insure that we don't overshoot the 38,800 population limit before 2010. It is estimated that units already in the pipeline will bring the city population up to around 37,000+. The next Measure P competition will award building allocations through Fiscal Year 2005-06.

By a vote of 7-0, the Commission approved the Quarterly Report by minute action and recommended the same by the Council. A copy of the 2002 RDCS Quarterly Report #4, and the minutes of the October 22, 2002 Planning Commission meeting is attached for the Council's reference.

#### **FISCAL IMPACT:**

Preparation of this report was accomplished with monies from the Community Development Fund.



Agenda	Item	#	14	

**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1585, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING OF A DEVELOPMENT AGREEMENT, DA-02-04: SUNNYSIDE-QUAIL CREEK FOR APPLICATION MP 01-11: SUNNYSIDE-SOUTH VALLEY DEVELOPERS

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1585, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1585, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

#### **ORDINANCE NO. 1585, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING OF A DEVELOPMENT AGREEMENT, DA-02-04: SUNNYSIDE-QUAIL CREEK FOR APPLICATION MP 01-11: SUNNYSIDE-SOUTH VALLEY DEVELOPERS

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

**SECTION 1.** The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

**SECTION 2.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

**SECTION 3.** Pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, 12 building allotments were awarded to application MP 01-11: Sunnyside-South Valley Developers for fiscal year 2003-2004; and

Project Total Dwelling Units

MP 01-11: Sunnyside-South Valley Developers 12 building allotments

**SECTION 4.** References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

**SECTION 5.** The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

**SECTION 6.** Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

**SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any

City of Morgan Hill Ordinance No. 1585, New Series Page - 2 -

situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 8.** Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

<b>AYES:</b>	<b>COUNCIL MEMBERS:</b>	
NOES:	<b>COUNCIL MEMBERS:</b>	
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	COUNCIL MEMBERS:	
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE OF</b>	THE CITY CLERK 👻
CALIFORN 1585, New So	IIA, do hereby certify that the forego	oing is a true and correct copy of Ordinance No. he City of Morgan Hill, California at their regular.
WIT	NESS MY HAND AND THE SEA	L OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



Agenda	Item #	15	
			•

**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1586, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING ZONING AMENDMENT ZA-02-06 WATSONVILLE-CITY OF MORGAN HILL RDA CHANGING THE ZONING DESIGNATION FROM PUBLIC FACILITIES TO R2-3,500 ON A 1.55 ACRE SITE. (APN 767-23-017)

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1586, New Series, as amended; and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1586, New Series, as amended, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

### **ORDINANCE NO. 1586, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL RECOMMENDING APPROVAL OF ZONING AMENDMENT ZA-02-06 WATSONVILLE-CITY OF MORGAN HILL RDA CHANGING THE ZONING DESIGNATION FROM PUBLIC FACILITIES TO R2-3,500 ON A 1.55 ACRE SITE. (APN 767-23-017)

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1.** Re-zone 1.55 acres of land, which fronts onto Watsonville Rd.
- **SECTION 2. INCORPORATING THE MAP BY REFERENCE.** There hereby is attached hereto and made a part of this ordinance, a zoning map entitled "Exhibit A" Map Showing Lands of Morgan Hill Redevelopment Agency which gives the boundaries of the described parcels of Land.
- **SECTION 3. DESCRIPTION OF LAND IN ZONING.** There hereby is attached hereto and made a part of this ordinance a legal description entitled "Exhibit B" which gives the boundaries of the described parcels of Land.
- SECTION 4. FINDING OF CONSISTENCY WITH THE GENERAL PLAN. The City Council hereby finds that the amendments established by this ordinance as herein described are compatible with the goals, objectives, policies and land use designation of the General Plan of the City of Morgan Hill. The Council further finds that the proposed amendments are required in order to serve the public health, convenience and general welfare as provided by Section 18.62.010 of the Morgan Hill Municipal Code.
- **SECTION 5.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A Mitigated Negative Declaration will be filed.
- **SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 7.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

City of Morgan Hill Ordinance No. 1586, New Series Page - 2 -

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November, 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November , 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: NOES: ABSENT: ABSTAIN:		
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE C</b>	OF THE CITY CLERK
CALIFORN 1586, New Se	IIA, do hereby certify that the for	RK OF THE CITY OF MORGAN HILL, regoing is a true and correct copy of Ordinance No. of the City of Morgan Hill, California at their regular 002.
WIT	NESS MY HAND AND THE SI	EAL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



Agenda Item # 16
Prepared By:
Deputy City Clerk
Approved By:

### **ADOPT ORDINANCE NO. 1587, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE PRECISE DEVELOPMENT PLAN ESTABLISHED UNDER ORDINANCE NO. 1522, NEW SERIES FOR A 62-UNIT R-1(7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE SOUTH SIDE OF LLAGAS AVENUE, AND THE WEST SIDE OF HALE AVENUE. (APNS 764-32-005, 010 & 012)

City Manager

**Submitted By:** 

City Clerk

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1587, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

#### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1587, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

#### **ORDINANCE NO. 1587, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE PRECISE DEVELOPMENT PLAN ESTABLISHED UNDER ORDINANCE NO. 1522, NEW SERIES FOR A 62-UNIT R-1(7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE SOUTH SIDE OF LLAGAS AVENUE, AND THE WEST SIDE OF HALE AVENUE. (APNS 764-32-005, 010 & 012)

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- **SECTION 1**. The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2**. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- **SECTION 3**. An environmental initial study has been prepared for this project and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A Mitigated Negative Declaration has been filed.
- **SECTION 4**. The City Council finds that the proposed amendment to the precise development plan is consistent with the criteria specified in Section 18.12.060 and Chapter 18.18 of the Morgan Hill Municipal Code.
- **SECTION 5**. The City Council hereby approves the amended precise development plan as contained in that certain series of documents dated September 26, 2002, on file in the Community Development Department, entitled "Monte Villa Site Plan Phase I & II" prepared by M.H. Engineering and that certain series of documents dated October 2, 2002 on file in the Community Development Department, entitled "Monte Villa Site Plan Phase III" prepared by M.H. Engineering and elevations by Dahlin Group. These documents as amended by Site and Architectural Review supercede the documents approved under Ordinance 1522.
- **SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 7.** Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the

City of Morgan Hill Ordinance No. 1587, New Series Page - 2 -

City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: NOES: ABSENT: ABSTAIN:		
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1587, New Se	IIA, do hereby certify that the foreg	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No. The City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



Agenda	Item #	17

**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

ADOPT ORDINANCE NO. 1588, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA 02-06 FOR MP 01-05: LLAGAS-DELCO (APN 764-32-005, 010 &012)

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1588, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1588, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

#### ORDINANCE NO. 1588, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA 02-06 FOR MP 01-05: LLAGAS-DELCO (APN 764-32-005, 010 &012)

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

**SECTION 1.** The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

**SECTION 2.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

**SECTION 3.** Pursuant to Chapter 18.78.380 of the Morgan Hill Municipal Code, 14 building allotments were awarded to application MP 01-05 Llagas-Delco for fiscal year 2003-2004; and

<u>Project</u>

Total Dwelling Units

MP 01-05 Llagas-Delco

14 building allotments

**SECTION 4.** References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

**SECTION 5.** The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

**SECTION 6.** Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

**SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 8.** Effective Date Publication. This ordinance shall take effect from and after thirty (30)

City of Morgan Hill Ordinance No. 1588, New Series Page - 2 -

days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: NOES: ABSENT: ABSTAIN:		
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>E</b> CERTIFICATE	OF THE CITY CLERK
CALIFORN 1588, New S	NIA, do hereby certify that the f	ERK OF THE CITY OF MORGAN HILL, foregoing is a true and correct copy of Ordinance No. oil of the City of Morgan Hill, California at their regular 2002.
WIT	NESS MY HAND AND THE	SEAL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



### CITY COUNCIL STAFF REPORT

MEETING DATE: NOVEMBER 20, 2002

# Agenda Item # 18 Prepared By: Deputy City Clerk Approved By: City Clerk Submitted By:

### ADOPT ORDINANCE NO. 1589, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.08.010 (ADOPTION OF THE CALIFORNIA BUILDING CODE AND THE UNIFORM BUILDING CODE), 15.08.020 (SHORT TITLE), 15.08.040 (ADDITIONS, AMENDMENTS AND DELETIONS), 15.08.090(A) (SECTION 310.7 AMENDED-SINGLE-ROOM OCCUPANCIES (SRO)), 15.08.100(A) (SECTION 2320.11.3, ITEM 5, DELETED-GYPSUM BOARD USE),

City Manager

15.08.110(A) (SECTION 2320.11.3, ITEM 7, AMENDED--CONVENTIONAL CONSTRUCTION PROVISIONS (BRACING)), 15.08.120(A) (SECTION 1900.4.4 AMENDED-- MINIMUM SLAB THICKNESS), 15.08.130(A) (SECTION 1806 AMENDED-- FOUNDATION REINFORCEMENT), 15.08.140(A) (SECTION 3205.2 AMENDED--PROJECTIONS AND CLEARANCE), 15.08.150(A) (SECTION 3205 AMENDED BY ADDING SECTION 3205.8--VERTICAL SUPPORTS), 15.08.160(A) (SECTION 3205.3 AMENDED-- MARQUEE LENGTH), 15.08.170(A) (SECTION 3403.2 AMENDED-- SUSPENDED CEILING UPGRADE), 15.08.190(A) (CHAPTER 13 AND APPENDIX CHAPTER 13 OF THE 1997 UNIFORM BUILDING CODE DELETED), 15.08.200(A) (TABLE 1-A OF THE 1997 UNIFORM BUILDING CODE DELETED), AND 15.08.210 (SECTIONS 904.2.2 THROUGH 904.2.8 OF THE 1997 UNIFORM BUILDING CODE DELETED) OF CHAPTER 15.08 (BUILDING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE, ADOPTING THE 2001 EDITION OF THE "CALIFORNIA BUILDING CODE" VOLUMES 1, 2, & 3, INCLUDING APPENDIX CHAPTERS 3 DIVISION II, 4, 15, 18, 31, 33 AND 34, WITH AMENDMENTS, AS THE BUILDING CODE OF THE CITY OF MORGAN HILL

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1589, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

#### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1589, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** No budget adjustment required.

#### **ORDINANCE NO. 1589, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.08.010 (ADOPTION OF THE CALIFORNIA BUILDING CODE AND THE UNIFORM BUILDING CODE), 15.08.020 (SHORT TITLE), 15.08.040 (ADDITIONS, AMENDMENTS AND DELETIONS), 15.08.090(A) (SECTION 310.7 AMENDED--SINGLE-ROOM OCCUPANCIES (SRO)), 15.08.100(A) (SECTION 2320.11.3, ITEM 5, DELETED--GYPSUM BOARD USE), 15.08.110(A) (SECTION 2320.11.3, ITEM 7, AMENDED--CONVENTIONAL CONSTRUCTION PROVISIONS (BRACING)), 15.08.120(A) (SECTION 1900.4.4 AMENDED-- MINIMUM THICKNESS), 15.08.130(A) (SECTION 1806 AMENDED--FOUNDATION REINFORCEMENT), 15.08.140(A) (SECTION 3205.2 AMENDED--PROJECTIONS AND CLEARANCE), 15.08.150(A) (SECTION 3205 AMENDED BY ADDING SECTION 3205.8--VERTICAL SUPPORTS), 15.08.160(A) (SECTION 3205.3 AMENDED-- MARQUEE LENGTH), 15.08.170(A) (SECTION 3403.2 AMENDED-- SUSPENDED CEILING UPGRADE), 15.08.190(A) (CHAPTER 13 AND APPENDIX CHAPTER 13 OF THE 1997 UNIFORM BUILDING CODE DELETED), 15.08.200(A) (TABLE 1-A OF THE 1997 UNIFORM BUILDING CODE DELETED), AND 15.08.210 (SECTIONS 904.2.2 THROUGH 904.2.8 OF THE 1997 UNIFORM BUILDING CODE DELETED) OF CHAPTER 15.08 (BUILDING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE, ADOPTING THE 2001 EDITION OF THE "CALIFORNIA BUILDING CODE" VOLUMES 1, 2, & 3, INCLUDING APPENDIX CHAPTERS 3 DIVISION II, 4, 15, 18, 31, 33 AND 34, WITH AMENDMENTS, AS THE BUILDING CODE OF THE CITY OF MORGAN HILL

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of the requirements of certain uniform industry codes as specified in Health and Safety Code section 17922; and,

WHEREAS, the City of Morgan Hill desires to adopt the following uniform code: "2001 California Building Code", which is based on the 1997 Uniform Building Code, which in turn is incorporated by reference where appropriate; and,

WHEREAS, Health and Safety Code section 17958.5 permits a city to make changes or modifications to the uniform codes as deemed reasonable because of local climatic, geological or topographical conditions; and,

WHEREAS, the City Council finds that, pursuant to Health and Safety Code section 17958.7, amendments to the California Building Code, as specifically set forth below and as already encompassed within Chapter 15.08, are reasonably necessary to accommodate local climate, geological, or topographical conditions.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Section 15.08.010 (Adoption of the California Building Code and the Uniform Building Code) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

**"15.08.010** Adoption of the California Building Code and the Uniform Building Code. Pursuant to Sections 50022.1 through 50022.4, inclusive, the text of that certain publication of the International Conference of Building Officials, including the Appendix Chapters 3 Division II, 4, 15, 18, 31 Division II & III, and 33 Divisions II & III, 33 and 34 Divisions III, hereinafter referred to as the "2001 California Building Code, 1998 Edition" and the "Uniform Building Code, 1997 Edition", are is adopted as the rules, regulations and standards within this city as to all matters therein contained except as otherwise provided, will be adopted and in effect October 1, 1999. The mandatory requirements of the appendix to the building code may be enforceable to the same extent as if contained in the body of the building code. One copy of the California Building Code and the Uniform Building Code upon which it is based will at all times be kept on file in the Office of the Chief Building Official, and is available for public inspection."

**SECTION 2.** Section 15.08.020 (Short Title) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

**"15.08.020 Short title.** This chapter shall be known as the "**2001** California Building Code" and the "Uniform Building Code" and may be cited as such."

**SECTION 3.** Section 15.08.040 (Additions, Amendments and Deletions) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

**"10.08.040 Additions, amendments and deletions.** The following provisions of the California Building Code and the Uniform Building Code shall be added, amended or deleted..."

**SECTION 4.** Section 15.08.090(A) (Section 310.7 Amended--Single-Room Ocupancies (SRO)) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"A. Section 310.7 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code is amended to read..."

**SECTION 5.** Section 15.08.100(A) (Section 2320.11.3, Item 5, Deleted–Gypsum Board Use) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

- "A. The following provision is hereby deleted: Section 2320.11.3, Item 5 of the **2001** 1998 California Building Code and the, 1997 Uniform Building Code which allows the use of gypsum board for bracing."
- **SECTION 6.** Section 15.08.110(A) (Section 2320.11.3, Item 7, Amended--Conventional Construction Provisions (Bracing)) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 2320.11.3, Item 7 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code is amended as follows . . ."
- **SECTION 7.** Section 15.08.120(A) (Section 1900.4.4 Amended--Minimum Slab Thickness) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 1900.4.4 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code is amended as follows . . . "
- **SECTION 8.** Section 15.08.130(A) (Section 1806 Amended--Foundation Reinforcement) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 1806 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code, is amended as follows . . . "
- **SECTION 9.** Section 15.08.140(A) (Section 3205.2 Amended--Projections and Clearance) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 3205.2 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code, is amended as follows . . . "
- **SECTION 10.** Section 15.08.150(A) (Section 3205 Amended by Adding Section 3205.8–Vertical Supports) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 3205 of Chapter 32 of the 1998 2001 California Building, Code, and the 1997 Uniform Building Code, is amended by adding Section 3205.8 to read . . . "
- **SECTION 11.** Section 15.08.160(A) (Section 3205.3 Amended--Marquee Length) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. Section 3205.3 of Chapter 32 of the <del>1998</del> **2001** California Building Code, <del>and the 1997</del> Uniform Building Code, is amended as follows . . . "
- **SECTION 12.** Section 15.08.170(A) (Section 3403.2 Amended--Suspended Ceiling Upgrade) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read

City of Morgan Hill Ordinance No. 1589, New Series Page -4-

as follows:

- "A. Section 3403.2 of Chapter 34 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code, is amended to read . . . "
- **SECTION 13.** Section 15.08.190(A) (Chapter 13 and Appendix Chapter 13 of the 1997 Uniform Building Code Deleted) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. The following provisions are hereby deleted: Chapter 13 and Appendix Chapter 13 of the **2001** 1998 California Building Code, and the 1997 Uniform Building Code."
- **SECTION 14.** Section 15.08.200(A) (Table 1-A of the 1997 Uniform Building Code Deleted) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. The following provision is hereby deleted: Table 1-A of the **2001** 1997 California Building Code, and the 1997 Uniform Building Code."
- **SECTION 15.** Section 15.08.210 (Sections 904.2.2 Through 904.2.8 of the 1997 Uniform Building Code Deleted) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:
  - "A. The following provisions are hereby deleted: Sections 904.2.2 through 904.2.8 of the 1998 2001 California Building Code, and the 1997 Uniform Building Code."
  - "B. Findings. The Council finds that Sections 904.2.2 through 904.2.8 of the 1997 2001 Uniform California Building Code are redundant as the City has its own requirements regarding the installation of fire sprinklers, and these provisions are therefore eliminated."
- **SECTION 16. Severability**. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- **SECTION 17. Effective Date Publication**. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 6<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 20<sup>th</sup> Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSENT: COUNCIL MEMBERS:

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ABSTAIN: COUNCIL MEMBERS:

ATTEST: APPROVED:

Trma Torrez, City Clerk Dennis Kennedy, Mayor

\*\*CERTIFICATE OF THE CITY CLERK\*\*

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1589, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 20th Day of November, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:

IRMA TORREZ, City Clerk

City of Morgan Hill

Ordinance No. 1589, New Series



Agenda	Item #	19

Prepared By:

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1590, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.12.020 (ADOPTION OF THE NATIONAL ELECTRICAL CODE) AND 15.12.060 (ARTICLE 90-4 OF THE 1996 NATIONAL ELECTRICAL CODE), AND DELETING SECTION 15.12.040 (ADDITIONS, AMENDMENTS AND DELETIONS) OF CHAPTER 15.12 (ELECTRICAL CODE) OF TITLE 15 (BUILDINGS AND

CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA ELECTRICAL CODE," PUBLISHED BY THE NATIONAL FIRE PROTECTION ASSOCIATION, WITH AMENDMENTS, AS THE ELECTRICAL CODE OF THE CITY OF MORGAN HILL

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1590, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1590, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** No budget adjustment required.

### **ORDINANCE NO. 1590, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.12.020 (ADOPTION OF THE NATIONAL ELECTRICAL CODE) AND 15.12.060 (ARTICLE 90-4 OF THE 1996 NATIONAL ELECTRICAL CODE), AND DELETING SECTION 15.12.040 (ADDITIONS, AMENDMENTS AND DELETIONS) OF CHAPTER 15.12 (ELECTRICAL CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA ELECTRICAL CODE," PUBLISHED BY THE NATIONAL FIRE PROTECTION ASSOCIATION, WITH AMENDMENTS, AS THE ELECTRICAL CODE OF THE CITY OF MORGAN HILL

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of the requirements of certain uniform industry codes as specified in Health and Safety Code section 17922; and,

WHEREAS, the City of Morgan Hill desires to adopt the following uniform code: "California Electrical Code," which is based on the 1999 National Electrical Code, which in turn is incorporated by reference where appropriate; and,

WHEREAS, Health and Safety Code section 17958.5 permits a city to make changes or modifications to the uniform codes as deemed reasonable because of local climatic, geological or topographical conditions; and,

WHEREAS, the City Council finds that, pursuant to Health and Safety Code section 17958.7, the amendments to the Morgan Hill Municipal Code and the California Electrical Code, as set forth below, and as already encompassed within Chapter 15.12, are necessary to accommodate local climate, geological, or topographical conditions.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Section 15.12.020 (Adoption of the National Electrical Code) of Chapter 15.12 (Electrical Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"Section 15.12.020 Adoption of the National California Electrical Code. Pursuant to section 50022.1 through 50022.4, inclusive, of the Government Code of the State of California, the text of that certain publication copyrighted and published by the National Fire Protection Association entitled "National California Electrical Code, 1996 2001 Edition," is hereby adopted as the rules, regulations and standards within this city as to all matters therein contained, except as otherwise provided in this chapter. Three One copies copy of the National California Electrical Code, 1996 2001 Edition, are and shall at all times be kept on file in the office of the City Clerk and are available for public inspection."

**SECTION 2.** Section 15.12.040 (Additions, amendments and deletions) of Chapter 15.12 (Electrical Code) of Title 15 (Buildings and Construction) is hereby deleted in its entirety.

City of Morgan Hill Ordinance No. 1590, New Series Page -2-

**SECTION 3.** Section 15.12.060 (Article 90-4 of the 1996 National Electrical Code) of Chapter 15.12 (Electrical Code) of Title 15 (Buildings and Construction) is hereby deleted in its entirety.

**SECTION 4. Severability**. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 5. Effective Date; Publication**. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 6<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 20<sup>th</sup> Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

<b>AYES:</b>	<b>COUNCIL MEMBERS:</b>	
<b>NOES:</b>	<b>COUNCIL MEMBERS:</b>	
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	<b>COUNCIL MEMBERS:</b>	
ATTEST:		APPROVED:
Irma Torre	z, City Clerk	Dennis Kennedy, Mayor
	<b>EXECUTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1590, New S	NIA, do hereby certify that the foreg	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No. The City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



### CITY COUNCIL STAFF REPORT **MEETING DATE:**

•	NOVEMBER 2	20. 2002

### ADOPT ORDINANCE NO. 1591, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.16.020 (ADOPTION OF THE UNIFORM MECHANICAL CODE) AND 15.16.040 (AMENDMENTS AND DELETIONS) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA MECHANICAL CODE," AND THE 2000 EDITION OF THE "UNIFORM MECHANICAL CODE," PUBLISHED

Deputy City Clerk
Approved By:
City Clerk
•
Submitted By:

BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE MECHANICAL CODE OF THIS CITY

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1591, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1591, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** No budget adjustment required.

#### **ORDINANCE NO. 1591, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.16.020 (ADOPTION OF THE UNIFORM MECHANICAL CODE) AND 15.16.040 (AMENDMENTS AND DELETIONS) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA MECHANICAL CODE," AND THE 2000 EDITION OF THE "UNIFORM MECHANICAL CODE," PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE MECHANICAL CODE OF THIS CITY

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of the requirements of certain uniform industry codes as specified in Health and Safety Code section 17922; and,

WHEREAS, the City of Morgan Hill is adopting the following uniform codes: "California Mechanical Code" and the "Uniform Mechanical Code"; and,

WHEREAS, Health and Safety Code section 17958.5 permits a city to make changes or modifications to the uniform codes as deemed reasonable because of local climatic, geological or topographical conditions; and,

WHEREAS, the City Council finds that, pursuant to Health and Safety Code section 17958.7, amendments to the Morgan Hill Municipal Code and the Uniform Mechanical Code, as specifically set forth below and as already encompassed within Chapter 15.16, are reasonably necessary to accommodate local climate, geological, or topographical conditions.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Section 15.16.020 (Adoption of the Uniform Mechanical Code) of Chapter 15.16 (Mechanical Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"Pursuant to Sections 50022.1 through 50022.4, inclusive, of the Government Code of the State of California, the text of that certain publication published and adopted by the International Conference of Building Association of Plumbing and Mechanical Officials, consisting of one volume, entitled, "California Mechanical Code 1998 2001 Edition," and the "Uniform Mechanical Code, 1997 2000 Edition," including the appendices thereto contained in the same volume, hereinafter collectively referred to as the "California Mechanical Code" and the "Uniform Mechanical Code," is hereby adopted as the rules, regulations and standards within this city as to all matters therein contained except as otherwise provided in this chapter. The mandatory requirements of the aforesaid appendices shall be enforceable to the same extent as if contained in the body of the California Mechanical Code and the Uniform Mechanical Code. One copy of the California Mechanical Code and the Uniform Mechanical Code will at all times be kept on file in the Office of the Building Official, and is available for public inspection."

City of Morgan Hill Ordinance No. 1591, New Series Page -2-

**SECTION 2.** Section 15.16.040 (Amendments and deletions) of Chapter 15.08 (Building Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"The following provisions of the  $2000 \frac{1997}{1997}$  Uniform Mechanical Code shall be amended or deleted . . . "

**SECTION 3. Severability**. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 4. Effective Date Publication**. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 6<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 20<sup>th</sup> Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

<b>AYES:</b>	<b>COUNCIL MEMBERS:</b>	
<b>NOES:</b>	<b>COUNCIL MEMBERS:</b>	
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	<b>COUNCIL MEMBERS:</b>	
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>EXECUTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1591, New Se	IIA, do hereby certify that the fores	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No. The City of Morgan Hill, California at their regular 12.
WIT	NESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 20, 2002

Agenda Item#	21
Prepared By:	

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### **ADOPT ORDINANCE NO. 1592, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.20.010 (SHORT TITLE), 15.20.020 (ADOPTION OF THE CALIFORNIA PLUMBING CODE AND THE UNIFORM PLUMBING CODE), 15.20.030 (SCOPE, ORGANIZATION, ENFORCEMENT, FEES AND INSPECTIONS), 15.20.040 (AMENDMENTS AND DELETIONS), 15.20.050 (SECTION 604.2 AMENDED—WATER LINES

AND FITTINGS), 15.20.060(A) (SECTION 608.2 AMENDED--PRESSURE REGULATORS), 15.20.070(A) (SECTIONS 609.3.1 AND 609.3.2 AMENDED--PIPING UNDER SLABS), 15.20.080(A) (SECTION 710.1 AMENDED--BACKWATER VALVES), AND 15.20.100(A) (SECTION 1001.0 AMENDED--VENTS AND TRAPS) OF CHAPTER 15.20 (PLUMBING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE TO ADOPT THE 2001 EDITION OF THE "CALIFORNIA PLUMBING CODE," AND THE 2000 UNIFORM PLUMBING CODE PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING & MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE PLUMBING CODE OF THIS CITY

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1592, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1592, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** No budget adjustment required.

### **ORDINANCE NO. 1592, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.20.010 (SHORT TITLE), 15.20.020 (ADOPTION OF THE CALIFORNIA PLUMBING CODE AND THE UNIFORM PLUMBING CODE), 15.20.030 (SCOPE, ORGANIZATION, ENFORCEMENT, FEES AND INSPECTIONS), 15.20.040 (AMENDMENTS AND DELETIONS), 15.20.050 (SECTION 604.2 AMENDED--WATER LINES AND FITTINGS), 15.20.060(A) (SECTION 608.2 AMENDED--PRESSURE REGULATORS), 15.20.070(A) (SECTIONS 609.3.1 AND 609.3.2 AMENDED--PIPING UNDER SLABS), 15.20.080(A) (SECTION 710.1 AMENDED-BACKWATER VALVES), AND 15.20.100(A) (SECTION 1001.0 AMENDED--VENTS AND TRAPS) OF CHAPTER 15.20 (PLUMBING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE TO ADOPT THE 2001 EDITION OF THE "CALIFORNIA PLUMBING CODE," AND THE 2000 UNIFORM PUBLISHED BY THE INTERNATIONAL PLUMBING CODE ASSOCIATION OF PLUMBING & MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE PLUMBING CODE OF THIS CITY.

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of regulations imposing the requirements of certain uniform industry codes as specified in Health and Safety Code section 17922; and,

WHEREAS, the City of Morgan Hill is adopting the following uniform code: "California Plumbing Code," and the "Uniform Plumbing Code"; and,

WHEREAS, Health and Safety Code section 17958.5 permits a city to make changes or modifications to the uniform codes as deemed reasonable because of local climatic, geological or topographical conditions; and,

WHEREAS, the City Council finds that, pursuant to Health and Safety Code section 17958.7, the amendments to the Morgan Hill Municipal Code and the California Plumbing Code, and as already encompassed within Chapter 15.20, are necessary to accommodate local climate, geological, or topographical conditions as set forth in each applicable provision below.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Section 15.20.010 (Short Title) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"15.20.010 Short Title. This chapter shall be known as the "2001 California Plumbing Code" and the "2000 Uniform Plumbing Code" and may be cited as such."

**SECTION 2.** Section 15.20.020 (Adoption of the California Plumbing Code and the Uniform

City of Morgan Hill Ordinance No. 1592, New Series Page - 2 -

Plumbing Code) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"15.20.020 Adoption of the California Plumbing Code and the Uniform Plumbing Code. Pursuant to Sections 50022.1 through 50022.4, inclusive, of the Government Code of the state, the text of that certain publication published and adopted by the International Association of Plumbing & Mechanical Officials entitled "California Plumbing Code, 1998 2001 Edition," and the "Uniform Plumbing Code, 1997 2000 Edition," is adopted as the rules and regulations and standards within the city as to all matters therein contained except as otherwise provided in this chapter. One copy of the California Plumbing Code and the Uniform Plumbing Code will at all times be kept on file in the Office of the Chief Building Official, and is available for public inspection."

**SECTION 3.** Section 15.20.030 (Scope, organization, enforcement, fees and inspections) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"15.20.030 Scope, organization, fees and inspections. The scope, organization, enforcement, fees and inspections of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code must comply with those set forth in the 1991 1997 Uniform Administrative Code (see Chapter 15.04 of this title)."

**SECTION 4.** Section 15.20.040 (Amendments and deletions) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

"15.20.040 Amendments and deletions. The following provisions of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code shall be amended or deleted: . . . ."

**SECTION 5.** Section 15.20.050 (Section 604.2 amended - Water lines and fittings) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

### "15.20.050 Section 604.2 amended - Water lines and fittings.

A. Section 604.2 of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code is amended to read as follows:

604.2 Copper tube for potable water piping shall have a weight of not less than type "L". **Plastic water piping will be considered on a case by case basis.**"

FINDING: Due to excessive water hardness in certain areas of the City dependant upon water source, and the internal corrosive potential of copper piping, use of plastic water piping may be proposed by applicants, and may be approved upon a showing that water hardness exists in a particular site and cannot be adequately mitigated.

**SECTION 6.** Section 15.20.060(A) (Section 608.2 Amended - Pressure Regulators) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

### "15.20.060 Section 608.2 amended - Pressure regulators.

A. Section 608.2 of the 1998 2001 California Plumbing Code and the 1997 2001 Uniform Plumbing Code is amended to read as follows:...."

**SECTION 7.** Section 15.20.070(A) (Section 609.3.1 and 609.3.2 amended - Piping under slabs) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

### "15.20.070 Sections 609.3.1 and 609.3.2 amended - Piping under slabs.

A. Section 609.3.1 of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code is amended to read as follows: . . . . "

**SECTION 8.** Section 15.20.080 (A) (Section 710.1 amended - Backwater valves) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

### "15.20.080 Section 710.1 amended - Backwater valves.

A. Section 710.1 of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code is amended to read as follows: . . . . "

**SECTION 9.** Section 15.20.100 (Section 1001.0 amended - Vents and traps) of Chapter 15.20 (Plumbing Code) of Title 15 (Buildings and Construction) is hereby amended to read as follows:

### "15.20.100 Section 1001.0 amended - Vents and traps.

- A. Section 1001.0 of the 1998 2001 California Plumbing Code and the 1997 2000 Uniform Plumbing Code is amended to read as follows: . . . .
- B. Findings: The changes or modifications in the requirements of the Uniform 2001 California Plumbing Code, 1994 edition, . . . "

City of Morgan Hill Ordinance No. 1592, New Series Page - 4 -

<u>SECTION 10.</u> Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 11.** Effective Date; Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 6<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 20<sup>th</sup> Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: NOES: ABSENT: ABSTAIN:	<b>COUNCIL MEMBERS:</b>	
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1592, New S	NIA, do hereby certify that the foreg	<b>COPE THE CITY OF MORGAN HILL,</b> oing is a true and correct copy of Ordinance No. the City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SEA	L OF THE CITY OF MORGAN HILL.
DATE:		TOTAL TOPPING CITY OF T
		IRMA TORREZ. City Clerk



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 20, 2002

Agenda	Item	#	22

**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1593, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 1.01.010 (ADOPTION OF THE MORGAN HILL CODE), OF CHAPTER 1.01 (CODE ADOPTION) OF TITLE 1 (GENERAL PROVISIONS) OF THE MORGAN HILL MUNICIPAL CODE TO INCLUDE THE CURRENT EDITIONS OF THE CALIFORNIA BUILDING, ADMINISTRATIVE, ELECTRICAL, MECHANICAL AND PLUMBING CODES

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1593, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1593, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** No budget adjustment required.

### **ORDINANCE NO. 1593, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 1.01.010 (ADOPTION OF THE MORGAN HILL CODE), OF CHAPTER 1.01 (CODE ADOPTION) OF TITLE 1 (GENERAL PROVISIONS) OF THE MORGAN HILL MUNICIPAL CODE TO INCLUDE THE CURRENT EDITIONS OF THE CALIFORNIA BUILDING, ADMINISTRATIVE, ELECTRICAL, MECHANICAL AND PLUMBING CODES.

WHEREAS, Health and Safety Code section 17958 allows the adoption by the City of Morgan Hill of regulations imposing the requirements of certain uniform industry codes as specified in Health and Safety Code Section 17922; and,

WHEREAS, the City Council finds that the adoption of such provisions is necessary to enact a systematic method for regulation of the topics addressed in said uniform industry codes, and to foster the health, safety and welfare of the citizens of Morgan Hill.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

**SECTION 1.** Section 1.01.010 (Adoption of the Morgan Hill Municipal Code) of Chapter 1.01 (Code Adoption) of Title 1 (General Provisions) of the Morgan Hill Municipal Code is hereby amended to read as follows:

- **"1.01.010 Adoption of the Morgan Hill Municipal Code.** Pursuant to the provisions of Section 50022.1 through 50022.10 of the Government Code of the State of California, there is adopted the "Morgan Hill Municipal Code," 1987 edition, as published by Book Publishing Company, Seattle, Washington, including the following secondary codes incorporated therein by reference in whole or in part:
- A. "Uniform Building Code, 1997 Edition," "California Building Code, 1998 2001 Edition", promulgated by the International Conference of Building Officials;
- B. "Uniform Housing Code, 1997 Edition," promulgated by the International Conference of Building Officials;
- C. "Uniform Administrative Code, 1991 1997 Edition," promulgated by the International Conference of Building Officials;
- D. "Uniform Mechanical Code, 1997 2000 Edition," "California Mechanical Code, 1998 2001 Edition", promulgated by the International Conference of Building Officials Association of Plumbing and Mechanical;
- E. "Uniform Plumbing Code, 1997 2000 Edition," "California Plumbing Code, 1998 2001 Edition", promulgated by the International Association of Plumbing and Mechanical Officials;
- F. "Uniform Fire Code, 1997 Edition," "California Fire Code, 1998 Edition", promulgated by the International Conference of Building Officials and the Western Fire Chiefs Association;
- G. "National Electrical Code, 1996 1999 Edition," California Electrical Code 2001 Edition promulgated by the National Fire Protection Association;
  - H. "Uniform Code for the Abatement of Dangerous Buildings, 1997 Edition,"

City of Morgan Hill Ordinance No. 1593, New Series Page -2-

promulgated by the International Conference of Building Officials, save and except those portions of the preceding secondary codes as are deleted, modified or amended by provisions of said Morgan Hill Municipal Code, 1987 edition.

From and after the effective date of the ordinance codified in this chapter, the Morgan Hill Municipal Code, 1987 edition, shall constitute the penal and regulatory ordinances of the city of Morgan Hill."

**SECTION 2.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 3.** Effective Date; Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES:	COUNCIL MEMBERS:	
<b>NOES:</b>	<b>COUNCIL MEMBERS:</b>	
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	<b>COUNCIL MEMBERS:</b>	
ATTEST:		APPROVED:
Irma Torrez	z, City Clerk	Dennis Kennedy, Mayor
	<b>EXECUTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1593, New Se	NIA, do hereby certify that the foreg	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No. the City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 20, 2002

Agenda	Item	#	23

**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1594, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ENACTING CHAPTER 18.80 OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING DEVELOPMENT AGREEMENTS

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1594, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1594, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

### **ORDINANCE NO. 1594, NEW SERIES**

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ENACTING CHAPTER 18.80 OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING DEVELOPMENT AGREEMENTS

WHEREAS, continuing pressure in the commercial and industrial real estate markets in the region due to the high costs and low availability of land have caused an increased interest in placing such development in the City; and,

WHEREAS, Government Code section 65864 finds that the lack of certainty in the approval of development projects can result in a waste of resources, escalate the costs of housing and other developments to the consumer, and discourage investment in and commitment to comprehensive planning which would maximize efficient utilization of resources at the most economical cost to the public; and,

WHEREAS, the City Council finds that development agreements can strengthen the public planning process, encourage private participation in comprehensive planning by providing a greater degree of certainty in that process, reduce the economic costs of development, allow for the orderly planning of public improvements and services, allocate costs to achieve maximum utilization of public and private resources in the development process, and assure that appropriate measures to enhance and protect the environment are achieved; and,

WHEREAS, the City Council further finds and determines that the public health, safety and general welfare will be furthered by the adoption of an ordinance establishing procedures for entering into and administering development agreements to accomplish the foregoing purposes and corresponding benefits.

## NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE FOLLOWING IS HEREBY ENACTED:

1. Chapter 18.80 is hereby added to the Municipal Code of the City of Morgan Hill as follows:

### **Chapter 18.80**

### **DEVELOPMENT AGREEMENTS**

#### **Sections:**

18.80.010	Purpose.
18.80.020	Definitions.
18.80.030	Applications.
18.80.040	Contents of development agreements.
18.80.050	Consideration of proposed development agreements

City of Morgan Hill Ordinance No. 1594, New Series Page -2-

18.80.060	Recordation.
18.80.070	Annual review.

18.80.080 Amendment or cancellation. 18.80.090 Miscellaneous provisions.

**18.80.010 Purpose.** The purpose of this chapter is to strengthen the public planning process, encourage private participation and comprehensive planning, and reduce the economic costs of development by providing an option to both the city and developers to enter into development agreements. Such agreements shall be used for projects such as large multi phase developments, low income housing developments, and developments involving public service and facilities installations which may require several years to complete. To accomplish this purpose, the procedures, requirements and other provisions of this chapter are determined to be necessary to promote orderly growth and development, the economic welfare, and to ensure provision for adequate circulation, utilities and services

**18.80.020 Definitions.** The following terms when used in this chapter shall have the following respective meanings:

- A. "Applicant" means a person who has a legal or equitable interest in real property, and who applies for a development agreement for a project on that property pursuant to the procedures specified in this chapter, and who executes and is bound by the terms of the development agreement. "Applicant" includes a successor in interest to the rights and duties of the original applicant for a development agreement.
  - B. "City" means the City of Morgan Hill, a municipal corporation.
  - C. "City Clerk" means the City Clerk of the City of Morgan Hill.
  - D. "City Council" means the City Council of the City of Morgan Hill.
- E. "City Manager" means the City Manager of the City of Morgan Hill or the person (s)he designates to carry out all or part of the responsibilities for implementing this chapter.
- F. "Development agreement" means a development agreement entered into between the City and an applicant pursuant to this chapter.
  - G. "Director" means the Community Development Director of the City of Morgan Hill.
  - H. "General plan" means the General Plan of the City of Morgan Hill.
  - I. "Person" means an individual, group, partnership, firm, association, corporation,

City of Morgan Hill Ordinance No. 1594, New Series Page -3-

trust, governmental agency, governmental official, administrative body, tribunal or any other form of business or legal entity.

- J. "Planning Commission" means the Planning Commission of the City of Morgan Hill.
- K. "Project" means the development project that is the subject of a development agreement.

### 18.80.030 Applications.

- A. <u>Authority for adoption</u>. An applicant for a development project may request that the City review the application as a development agreement application in accordance with the following procedures. The City incorporates by reference the provisions of California Government Code Sections 65864-65869.5.
- B. <u>Forms and information</u>. The applicant shall submit an application for a development agreement on a form prescribed by the Director. The Director shall identify submittal requirements for applications for development agreements, and may require an applicant to submit such additional information and supporting data as deemed necessary by the Director to process the application.
- C. <u>Fees</u>. At the time of initial filing of the application, the applicant shall pay such fees and charges for the filing and processing of applications for development agreements and the administration of approved development agreements, including annual reviews, in such amounts as may be established by resolution of the City Council.
- D. <u>Authority to File Application</u>. An applicant shall have a legal or equitable interest in the real property which is the subject of the proposed development agreement. The City Manager shall require an applicant to submit proof of his or her interest in the real property and/or of the authority of any agent to act for the applicant. Such proof may include a title report, policy or guarantee, issued by a title company licensed to do business in the State, which evidences the requisite interest of the applicant in the real property.

### E. <u>Initial review of application</u>.

- 1. The Director or his or her designee shall review each application to determine whether it is complete. If the application is found to be incomplete, the Director shall reject the application and, within forty-five (45) days after submittal of the application, shall inform the applicant of the items or steps necessary to properly complete the application.
- 2. Following completion of the application, the Director shall determine whether a project is consistent with the general plan and any applicable specific plan, including the precise development plan and guidelines of the

City of Morgan Hill Ordinance No. 1594, New Series Page -4-

PUD, Planned Unit Development district, or applicant has submitted an application for any necessary amendments to the general plan, PUD or specific plan.

In addition, the Director shall determine whether the project meets one of the following criteria:

- a. The project is a residential development awarded a building allotment pursuant to Section 18.78.125 of the Municipal Code; or
- b. The project is a commercial or industrial development and these three criteria are met:
  - (1) The project site is three acres or more in area; and,
  - (2) The project proposes to construct or rehabilitate multiple structures on the site, and the total floor area to be constructed or rehabilitated is at least one hundred thousand square feet; and,
  - (3) The project envisions a long-term or phased build-out such that, at the time of application, designs of all buildings and improvements cannot be reasonably specified in the manner required of use permit applications; or,

The project is a commercial or industrial development and there are other unique or compelling reasons why the project or the potential benefits to the community would warrant consideration in the form of a development agreement.

The Director shall also determine whether the proposed project comports with regulations of the zoning district in which the property lies, including identification of any aspects of the project which would require a variance were the application subject to review and action under the zoning ordinance.

**18.80.040 Contents of development agreements.** Following completion of the application and determination by the Director that the application meets the criteria enumerated above, the City Manager, or his or her designee, shall provide the applicant with the City's standard development agreement. The City Manager, or his or her designee, shall negotiate specific components and provisions of the development agreement with the applicant. The negotiated development agreement shall comport with the following requirements:

A. A development agreement shall specify its duration; the permitted uses of the subject property; the general location and density or intensity of uses; the general location, maximum height and size of proposed buildings; the relation of the project to adjacent properties; and provisions for reservation or dedication of land for public purposes. It shall contain provisions concerning its transferability.

City of Morgan Hill Ordinance No. 1594, New Series Page -5-

- B. A development agreement shall contain an indemnity clause requiring the applicant to indemnify and hold the City harmless against claims arising out of or in any way related to the actions of applicant in connection with the application or the development process, including all legal fees and costs.
- C. A development agreement should clearly outline the benefits provided to the City from entering into the development agreement. Such benefits may include, but are not limited to:
  - 1. Construction of public facilities beyond those required as a condition of approval.
  - 2. Covenants to operate and maintain the private project at higher levels than would otherwise be required.
  - 3. Proposals to achieve General Plan goals not directly associated with the private project.
  - 4. Other proposals which, in the judgment of the Planning Commission and City Council, provide public benefits sufficient to justify a development agreement.
- D. A development agreement should include requirements for construction and maintenance of onsite and off-site improvements or payment of fees in lieu of such dedications or improvements.
- E. A development agreement should include, without limitation, conditions and restrictions imposed by the City with respect to the project including those conditions and restrictions proposed in any environmental impact report applicable to the project prepared and certified under the California Environmental Quality Act, and the City's regulations with respect thereto, in order to eliminate or mitigate adverse environmental impacts of the project.
- F. A development agreement should provide that the project be constructed in specified phases, that construction shall commence within a specified time, and that the project or any phase thereof be completed within a specified time.
- G. A development agreement shall be a contract that is negotiated and voluntarily entered into by City and applicant and may contain any additional or modified conditions, terms or provisions agreed upon by the parties.
- H. A development agreement may also include conditions, terms, restrictions, and requirements for subsequent discretionary actions but does not eliminate the applicant's responsibility to obtain all required land use approvals.
- I. If the development agreement requires applicant financing of necessary public facilities, it may include terms relating to subsequent reimbursement over time for such financing.
  - J. A development agreement may include any other provisions necessary to guarantee

City of Morgan Hill Ordinance No. 1594, New Series Page -6-

performance of obligations stated in the agreement.

K. All developments agreements, or any part of such development agreements, may be subject to subsequent condemnation proceedings by the City.

### 18.80.050 Consideration of proposed development agreements.

- A. <u>Negotiations</u>. The City Manager shall negotiate the specific components and provisions of the development agreement on behalf of the City.
- B. <u>Planning Commission Consideration</u>. Following negotiation of the development agreement, the Planning Commission shall consider the development agreement for recommendation to the City Council. Prior to making a recommendation for City Council action on a proposed development agreement, the Planning Commission shall hold a noticed public hearing to consider comments on the development agreement from other advisory bodies and from members of the public. The Planning Commission public hearing may, but need not, be held concurrently with the public hearing(s) on other land use approvals for the project. The City Manager shall make a draft of the proposed development agreement available for public review at least fifteen (15) days before the Planning Commission's public hearing on the proposed development agreement.
- C. <u>Recommendation by Planning Commission</u>. Within thirty (30) days after closing its public hearing, the Planning Commission shall make its recommendation in writing to the City Council. The recommendation shall include the Planning Commission's determination and supporting reasoning as to whether or not the proposed development agreement:
  - 1. Is consistent with the goals, objectives, policies, general land uses and programs specified in the general plan and any applicable specific plan.
  - 2. Is compatible with the uses authorized in the zoning district in which the real property is located.
  - 3. Duly considers City mitigation programs in effect at the time of execution of the agreement.
  - 4. Will be non-detrimental to the public health, safety and general welfare of persons residing or working in the neighborhood and to property and improvements in the neighborhood.
  - 5. Complies with the provisions of the California Environmental Quality Act and City's procedures adopted pursuant thereto.
  - 6. Will not adversely affect the orderly development of property or the preservation of property values.
- D. <u>City Council public hearing</u>. The City Council shall hold a noticed public hearing prior to adoption of any development agreement. The City Council public hearing may, but need not, be held concurrently with the public hearing(s) on other land use approvals for the project.

### E. <u>Decision by City Council</u>.

City of Morgan Hill Ordinance No. 1594, New Series Page -7-

- 1. After the City Council completes the public hearing, it may accept, reject or conditionally accept the recommendation of the Planning Commission; or in the event the Planning Commission has failed to make a recommendation, the City Council shall approve, disapprove or conditionally approve the development agreement. The City Council may, but need not, refer matters not previously considered by the Planning Commission during its hearing back to the Planning Commission for report and recommendation. The Planning Commission may, but need not, hold a public hearing on matters referred back to it by the City Council.
- 2. The City Council shall not approve a proposed development agreement unless it finds that its provisions are consistent with the general plan and any applicable specific plan. This requirement may be satisfied by a finding that the provisions of a proposed development agreement are consistent with proposed general plan or specific plan provisions which are to be adopted concurrently with the approval of the proposed development agreement. A finding of consistency may be made if, considering the general plan and/or specific plan as a whole and balancing competing provisions as appropriate, the City determines that the proposed development agreement does not conflict with the provisions of the general plan and/or specific plan.
- 3. A proposed development agreement shall be executed by the applicant before it is placed before the City Council for consideration at a public hearing.
- F. <u>Approval of development agreement.</u> The City Council shall have the exclusive authority to approve the development agreement. Approval of a development agreement shall be by ordinance.
- G. <u>Failure to receive notice</u>. The failure of any person to actually receive notice required by law or this chapter shall not affect the authority of the City to enter into, modify or terminate a development agreement, nor invalidate a development agreement entered into by the City under this chapter.

### Section 18.80.060 Execution and recordation of development agreement.

- A. Within ten (10) days after the ordinance approving the development agreement takes effect, the City Manager shall execute the development agreement on behalf of the City, and the City Clerk shall record the development agreement with the Santa Clara County Recorder.
- B. If the parties to the agreement or their successors in interest amend or cancel the development agreement, or if the City terminates or modifies the development agreement for failure of the applicant to fully comply with the provisions of the development agreement, the City Clerk shall record notice of such action with the Santa Clara County Recorder.

### Section 18.80.070 Annual review.

### B. Time for and initiation of review.

- 1. The City Manager shall review each approved development agreement at least once a year, at which time the applicant shall be required to demonstrate compliance with the provisions of the development agreement.
- 2. The applicant shall initiate the required annual review by submitting a written request at least sixty (60) days prior to the review date specified in the development agreement. The applicant shall also provide evidence as determined necessary by the City Manager to demonstrate compliance with the provisions of the development agreement. The burden of proof by substantial evidence of compliance is upon the applicant.
- B. <u>Finding of compliance</u>. If the City Manager, on the basis of substantial evidence, finds compliance by the applicant with the provisions of the development agreement, the City Manager shall issue a finding of compliance, which shall be in recordable form and may be recorded with the county recorder after conclusion of the review.

### C. <u>Finding of noncompliance</u>.

- 1. If the City Manager finds the applicant has not complied with the provisions of the development agreement, the City Manager may issue a finding of noncompliance which may be recorded by the City with the county recorder after it becomes final. The City Manager shall specify in writing to the applicant the respects in which applicant has failed to comply, and shall set forth terms of compliance and specify a reasonable time for the applicant to meet the terms of compliance.
- 2. If applicant does not comply with any terms of compliance within the prescribed time limits, the development agreement shall be subject to termination or modification pursuant to Section 18.80.080(B) of this chapter.
- D. Appeal of determination. Within ten (10) days after issuance of a finding of compliance or a finding of noncompliance, any interested person may file a written appeal of the finding with the City Council. The appellant shall pay fees and charges for the filing and processing of the appeal in amounts established by resolution of the City Council. The appellant shall specify the reasons for the appeal. The issuance of a finding of compliance or finding of noncompliance by the City Manager and the expiration of the appeal period without appeal, or the confirmation by the City Council of the issuance of the finding on such appeal, shall conclude the review for the applicable period and such determination shall be final.

### Section 18.80.080 Amendment or cancellation.

A. Cancellation or modification by mutual consent. Any development agreement may

City of Morgan Hill Ordinance No. 1594, New Series Page -9-

be canceled or modified by mutual consent of the parties following compliance with the procedures specified in Section 18.80.050 of this chapter. A development agreement may also specify procedures for administrative approval of minor amendments by mutual consent of the applicant and the City Manager.

- B. <u>Termination or modification after finding of noncompliance.</u> If a finding of noncompliance does not include terms of compliance, or if applicant does not comply with the terms of compliance within the prescribed time limits, the City Manager may refer the development agreement to the City Council for termination or modification. The City Council shall conduct a public hearing. The burden of proof shall be on the applicant to establish at the public hearing that the development agreement has been complied with. After the public hearing, the City Council may terminate the development agreement, modify the finding of noncompliance, or rescind the finding of noncompliance, and issue a finding of compliance.
- C. <u>Rights of the parties after cancellation or termination.</u> In the event that a development agreement is canceled or terminated, all rights of the applicant, property owner or successors in interest under the development agreement shall terminate. If a development agreement is terminated following a finding of noncompliance, the City may, in its sole discretion, determine to return any and all benefits, including reservations or dedications of land, and payments of fees, received by the City.

### 18.80.090 Miscellaneous provisions.

### A. Effect of development agreement.

- 1. Unless otherwise specified in the development agreement, the City's rules, regulations and official policies governing permitted uses of the property, density and design, and improvement standards and specifications applicable to development of the property shall be those City rules, regulations and official policies in force on the effective date of the development agreement. The applicant shall not be exempt from otherwise applicable City ordinances or regulations pertaining to persons contracting with the City.
- 2. A development agreement shall not prevent the City, in subsequent actions applicable to the property, from applying new rules, regulations and policies which do not conflict with those rules, regulations and policies applicable to the property as set forth in the development agreement. A development agreement shall not prevent the City from denying or conditionally approving any subsequent land use permit or authorization for the project on the basis of such existing or new rules, regulations, and policies.
- 3. Unless otherwise specified in the development agreement, a development agreement shall not exempt the applicant from obtaining future discretionary land use approvals.
- B. <u>Rules affecting development agreement</u>. In the event that any regulation or law of the

City of Morgan Hill Ordinance No. 1594, New Series Page -10-

State of California or the United States, enacted or interpreted after a development agreement has been entered into, prevents or precludes compliance with one or more provisions of the development agreement, then the development agreement may be modified or suspended in the manner and pursuant to the procedures specified in the development agreement as may be necessary to comply with such regulation or law.

- C. <u>Interpretation</u>. This chapter governs the interpretation of any development agreement approved under this chapter.
- D. <u>Enforcement of a development agreement</u>. The procedures for enforcement, amendment, modification, cancellation or termination of a development agreement specified in this section and in California Government Code Section 65865.4 are non-exclusive. A development agreement may be enforced, amended, modified, canceled or terminated by any manner otherwise provided by law or by the provisions of the development agreement.
- E. <u>Public Hearings, generally</u>. Any public hearing held pursuant to this chapter shall be conducted as nearly as possible in accordance with the procedural standards prescribed in the Government Code for the conduct of zoning hearings. Each person interested in the matters shall be given an opportunity to be heard. The applicant has the burden of proof at the public hearing on the proposed development agreement. No action, inaction or recommendation regarding a development agreement shall be set aside due to any error, irregularity, informality, neglect or omission ("error") as to any matter pertaining to the development agreement unless the error is prejudicial and the complaining party sustained and suffered actual substantial injury, and that a different result would have been probable if the error had not occurred or existed. There is no presumption that an error is prejudicial or that injury was done if error is proven.

### F. Judicial review; time limitation.

- 1. Any judicial review of an ordinance approving a development agreement shall be by writ of mandate pursuant to Section 1085 of the California Code of Civil Procedure; and judicial review of any City action taken by the City pursuant to this chapter, other than initial approval of a development agreement, shall be by writ of mandate pursuant to Section 1094.5 of the California Code of Civil Procedure.
- 2. Any action or proceeding to attack, review, set aside, void or annul any decision of the City taken pursuant to this chapter shall not be maintained by any person unless the action or proceeding is commenced within ninety days after the effective date of the decision.
- G. <u>Irregularity in proceedings</u>. No action, inaction, or recommendation regarding a proposed development agreement shall be held void or invalid or be set aside by a court by reason of any error, irregularity, informality, neglect or omission ("error") as to any matter pertaining to the petition, application, notice, finding, record, hearing, report, recommendation, or any matter of procedure whatever, unless the error complained of was prejudicial and that by reason of the error,

City of Morgan Hill Ordinance No. 1594, New Series Page -11-

the complaining party sustained and suffered substantial injury, and that a different result would have been probable if the error had not occurred or existed. There is not a presumption that an error is prejudicial or that injury was done if an error is shown.

- 2. **Severability.** Should any provision of this ordinance be deemed unconstitutional or unenforceable by a court of competent jurisdiction, such provision shall be severed from the ordinance, and such severance shall not affect the remainder of the ordinance.
- 3. **Effective Date; Posting**. This ordinance shall take effect thirty (30) days after its second reading. This ordinance shall be posted at City Hall.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 6<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 20<sup>th</sup> Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

	NCIL MEMBERS:	
	<b>COUNCIL MEMBERS:</b>	
ABSENT:	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	COUNCIL MEMBERS:	
ATTEST:		APPROVED:
Irma Torrez,	City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE</b>	OF THE CITY CLERK
CALIFORNI 1594, New Se	(A, do hereby certify that the f	<b>ERK OF THE CITY OF MORGAN HILL,</b> Foregoing is a true and correct copy of Ordinance No. iil of the City of Morgan Hill, California at their regular 2002.
WITN	NESS MY HAND AND THE	SEAL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 20, 2002

Agenda	Item #	24

Prepared By:

**Deputy City Clerk** 

**Approved By:** 

City Clerk

**Submitted By:** 

City Manager

### **ADOPT ORDINANCE NO. 1595, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO A PRECISE DEVELOPMENT PLAN FOR A 164 UNIT R-1(7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE NORTH SIDE OF EAST CENTRAL AVENUE AT CALLE HERMOSA. (APN 726-27-037)

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1595, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1595, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

### **ORDINANCE NO. 1595, NEW SERIES**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO A PRECISE DEVELOPMENT PLAN FOR A 164 UNIT R-1(7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE NORTH SIDE OF EAST CENTRAL AVENUE AT CALLE HERMOSA. (APN 726-27-037)

## THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

- **SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- **SECTION 3. INCORPORATING THE MAP BY REFERENCE.** There hereby is attached hereto and made a part of this ordinance, a zoning map entitled "Exhibit A" Map Showing Re-zoning of Central Park, which gives the boundaries of the described parcels of Land.
- **SECTION 4.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 5.** The City Council finds that the proposed RPD Overlay District is consistent with the criteria specified in Chapter 18.18 of the Morgan Hill Municipal Code.
- SECTION 6. The City Council hereby approves a precise development plan as contained in that certain series of documents dated May 29, 2002 & August 28, 2002 (date stamped) on file in the Community Development Department, entitled "Site Development Plan Central Park and Site Development Plan Central Park Phase 5A" (also contains lots for Phase 5B) prepared by EDI Architecture, Inc. These documents show the exact location and sizes of all lots in this development and the location and dimensions of all proposed vehicle and pedestrian circulation ways and drainage, open space and landscape areas.
- **SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

City of Morgan Hill Ordinance No. 1595, New Series Page - 2 -

**SECTION 7.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: NOES: ABSENT: ABSTAIN:	<b>COUNCIL MEMBERS:</b>	
ATTEST:		APPROVED:
Irma Torrez	, City Clerk	Dennis Kennedy, Mayor
	<b>EXECUTE OF</b>	THE CITY CLERK
CALIFORN 1595, New Se	IA, do hereby certify that the foreg	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No. The City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



## CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 20, 2002

Agenda	Item	#	25
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**Prepared By:** 

**Deputy City Clerk** 

Approved By:

City Clerk

**Submitted By:** 

City Manager

### ADOPT ORDINANCE NO. 1596, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-02-05: EAST CENTRAL - CENTRAL PARK FOR APPLICATION MP-01-10: CENTRAL CENTRAL PARK DEVELOPMENT, LLC

**RECOMMENDED ACTION(S):** Approve the reading by title of Ordinance No. 1596, New Series, and Declare that said title, which appears on the public agenda, shall be determined to have been read by title and further reading waived.

### **EXECUTIVE SUMMARY:**

On November 6, 2002, the City Council Introduced Ordinance No. 1596, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

### ORDINANCE NO. 1596, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-02-05: EAST CENTRAL - CENTRAL PARK FOR APPLICATION MP-01-10: CENTRAL - CENTRAL PARK DEVELOPMENT, LLC

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

**SECTION 1.** The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

**SECTION 2.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

**SECTION 3.** The Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution No 02-36, adopted May 14, 2002, has awarded allotments to that certain project herein after described as follows:

Project Total Dwelling Units

MP-02-10: Central - Central Park 8 single-family homes

**SECTION 4.** References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

**SECTION 5.** The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

**SECTION 6.** Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

City of Morgan Hill Ordinance No. 1596, New Series Page - 2 -

**SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 8.** Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the  $6^{th}$  Day of November 2002 and was finally adopted at a regular meeting of said Council on the  $20^{th}$  Day of November, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES:	<b>COUNCIL MEMBERS:</b>	
NOES:	<b>COUNCIL MEMBERS:</b>	
ABSENT:	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	COUNCIL MEMBERS:	
ATTEST:		APPROVED:
Irma Torre	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE OF</b>	THE CITY CLERK
CALIFORN 1596, New S	NIA, do hereby certify that the foreg	K OF THE CITY OF MORGAN HILL, going is a true and correct copy of Ordinance No othe City of Morgan Hill, California at their regulars 2.
WIT	TNESS MY HAND AND THE SEA	AL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



# REDEVELOPMENT AGENCY STAFF REPORT MEETING DATE: November 20, 2002

### OCTOBER 2002 FINANCE & INVESTMENT REPORT

Agenda Item # 26
Prepared By:
Finance Director
G 1 14 1B
Submitted By:

**Executive Director** 

### **RECOMMENDED ACTION:**

Accept and File Report

**EXECUTIVE SUMMARY:** Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of October 2002. The report covers activity for the first four months of the 2002/2003 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

FISCAL IMPACT: As presented.



### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03
FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

This analysis of the Redevelopment Agency's Financial status reflects 33% of the fiscal year. However, this analysis is somewhat limited. Normally, very little property tax increment revenue has been received as of this time of the year.

### Revenues

Through September, the Redevelopment Agency received \$367,933 in property tax increment revenues; this is expected. Most property taxes are received in December and April. The Redevelopment Agency, as of October 31, 2002, has collected \$100,000,000 in tax increment revenue under the original plan and \$39,739,644 toward the plan amendment cap of \$147,000,000. Since the \$100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2002/2003 will be collected under the plan amendment.

Interest and rental income of \$180,698 reflects interest income received only through September because interest earnings are posted in October for the quarter ended September 30 and interest earnings for the month of October will be posted at the end of the second quarter. 'Other Revenues' represent reimbursements and charges for current services and total \$3,939.

### **Expenditures**

Total Redevelopment Agency Capital Projects expenditures and encumbrances equal \$13,377,831 and are 41% of budget. Of this total, \$5,161,925 represents encumbrances for capital projects and other commitments. Expenditures for administrative costs for employee services, supplies, and contract services were 28% of budget. During July, the Agency made a \$2.55 million installment payment towards the purchase of the Sports complex. During September, the Agency spent \$452,977 on property acquisitions related to the Indoor Recreation Center and Butterfield Blvd. Phase IV projects. During October, the Agency placed \$100,000 into escrow for the purchase of the Courthouse Facility property. All Capital Projects expenditures during 2002/03 have used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing are at 19% of the budget for a total of \$1,303,900. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not yet been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2002/03 housing related expenditures have been funded with tax increment collected under the plan amendment.

### **Fund Balance**

The unreserved fund balance of \$7,460,407 for the Capital Projects Fund at October 31, 2002, consisted entirely of monies collected under the plan amendment. The unreserved fund balance of \$7,460,407 at October 31 included future obligations to pay an additional \$6.9 million for the Courthouse Facility, an additional \$3,250,000 for purchase of the Gundersen property, an additional \$2.55 million for a sports complex, and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all of these future



### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

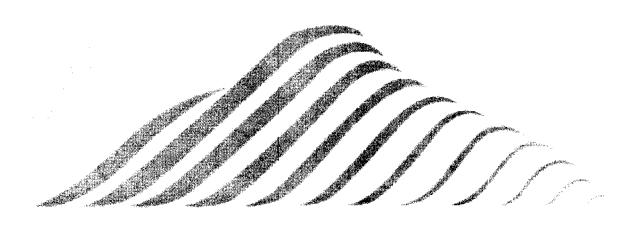
commitments are subtracted from the \$7,460,407, the remaining negative unreserved fund balance at October 31 would be a negative (\$6,849,593). However, these commitments are expected to be paid out over the next 2 to 4 years and to reduce current resources by only an estimated \$3 million in 2002/03.

The unreserved fund balance of \$2,498,307 for the Housing Fund at October 31 consisted of funds all collected under the plan amendment.

# REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

### **Monthly Financial and Investment Reports**

October 31, 2002 - 33% Year Complete



## CITY OF MORGAN HILL REDEVELOPMENT AGENCY

Prepared by:

FINANCE DEPARTMENT



### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

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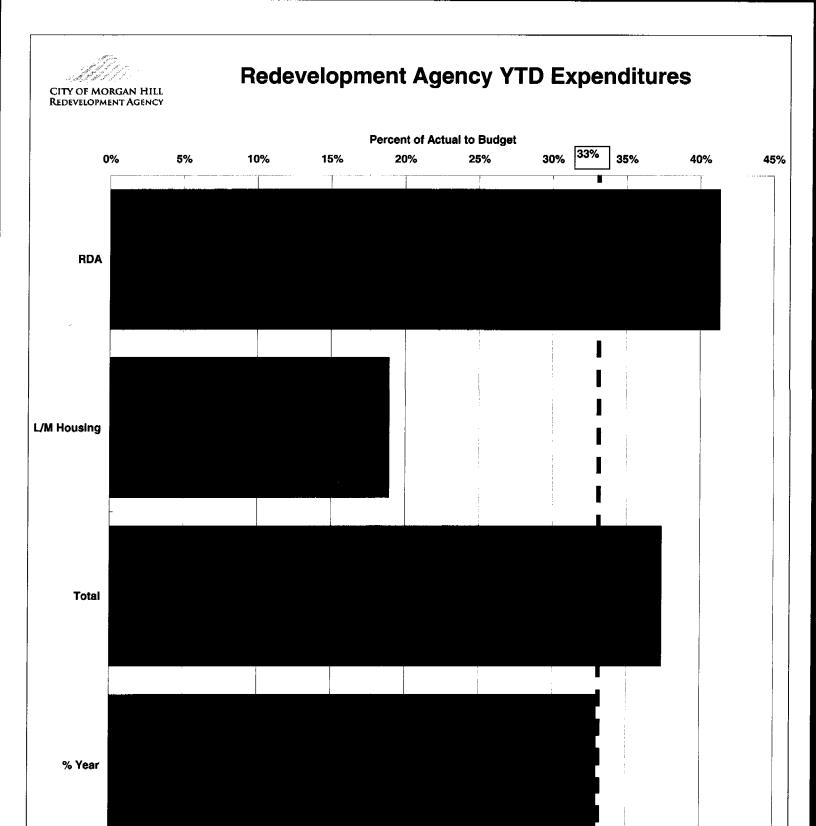


### REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2002/03 FOR THE MONTH OF OCTOBER 2002 - 33% OF YEAR COMPLETE

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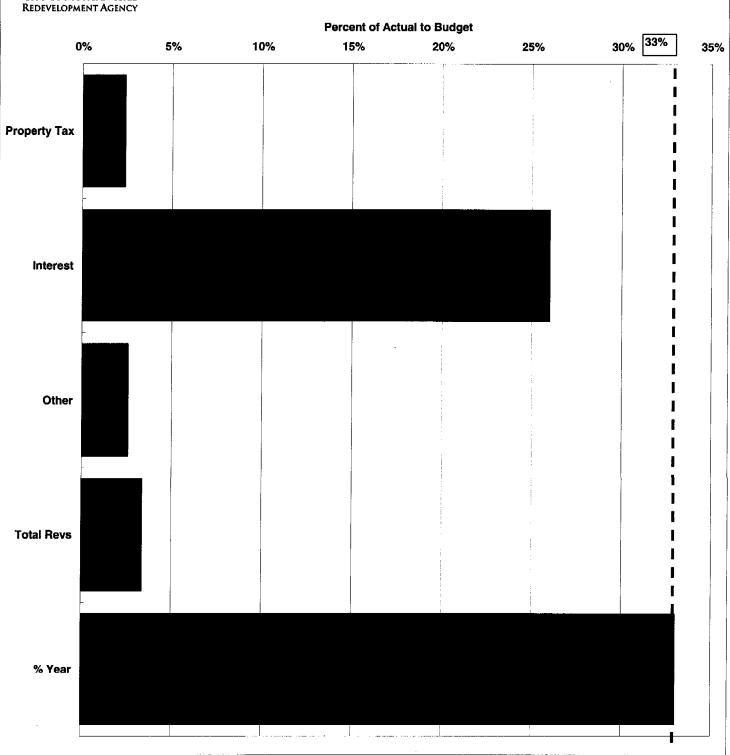
The unreserved fund balance of \$2,498,307 for the Housing Fund at October 31 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$32,360,149	\$13,377,831	41%
HOUSING	6,888,925	1,303,900	19%
TOTALS	\$39,249,074	\$14,681,731	37%



### **Redevelopment Agency YTD Revenues**



REVENUE CATEGORY	BUDGET	ACTUAL	% OF BUDGET	PRIOR YEAR TO DATE	% CHANGE FROM PRIOR YEAR
PROPERTY TAXES	\$15,522,000	\$367,933	2%	\$152,824	141%
INTEREST INCOME/RENTS	\$695,853	\$180,698		\$343,981	-47%
OTHER REVENUE	\$153,090	\$3,939	3%	\$4,183	-6%
TOTALS	\$16.370.943	\$552,570	3%	\$500.988	10%



## Redevelopment Agency Fund Balance Report - Fiscal Year 2002/03 For the Month of October 2002 33% of Year Complete

	Unaudited	Revenues	40	Expenditures	Jres	Year to-Date	Ending F	Ending Fund Balance	Cash and investments	vestments
Fund	Fund Balance	ΔT	<i>y</i> 0%	YTD	% of	Deficit or				
No. Fund	06-30-02	Actual	Budget	Actual	Budget	Carryover	Reserved <sup>1</sup>	Unreserved	Unrestricted	Restricted
317 CAPITAL PROJECTS	\$22,634,048	433,669	3%	8,215,906	41%	(7,782,237)	7,440,355	7,411,457	12,638,626	
327/328 HOUSING	\$20,841,201	118,901	3%	1,179,561	19%	(1,060,660)	17,234,506	2,546,035	2,635,106	
TOTAL CAPITAL PROJECT FUNDS	S43.475.249	552,570	si	1355.467	37%	2223	[8,842,897] 24,674,861	333	\$967.492 16.273,732	
SUMMARY BY FUND TYPE										

TOTAL CASH AND INVESTMENTS

TOTAL ALL GROUPS FAS-475-249

\* Amount reserved for encumbrances, fixed asset replacement, long-term receivables

16,273,732 15,273,732

9,957,492

24,674,861

(8,842,897)

37%

9,395,467

3%

552,570

\$43,475,249

CAPITAL PROJECTS GROUP

552570 5% B.285467 27% (B.642.897) 24.874.861 P.957.422



Redevelopment Agency Year to Date Revenues - Fiscal Year 2002/03 For the Month of October 2002 33% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS				, , , , , , , , , , , , , , , , , , , ,		- W.V.	
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	12,084,000	12,084,000	293,709	2%	122,259	171,450	140%
Development Agreements	-	-	-	n/a	-	-	n/a
nterest Income, Rents	595,853	595,853	136,411	23%	277,471	(141,060)	-51%
Other Agencies/Current Charges	<u> 152,500</u>	152,500	3,549	<u>2%</u> _	3,903	(354)	<u>-9%</u>
TOTAL CAPITAL PROJECTS	12,832,353	12,832,353	433,669	<u>3%</u> _	403,633	30,036	7%
327/328 HOUSING							
Property Taxes & Supplemental Roll	3,438,000	3,438,000	74,224	2%	30,565	43,659	143%
nterest Income, Rent	100,000	100,000	44,287	44%	66,510	(22,223)	-33%
Other _	590	590	390	66%	280	110	39%
TOTAL HOUSING	3,538,590	3,538,590	118,901	<u>3%</u> _	97,355	21,546	22%
OTAL CAPITAL PROJECTS FUNDS	16.370.943	16.370.943	582,870	3%	500,988	51,582	10%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2002/03 For the Month of October 2002 33% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAF	PITAL PROJECTS							
	BAHS Administration	80,540	1,234,039	1,393,096	342,458	49,518	391,976	28%
	BAHS Economic Developme BAHS CIP	36,343 1,447,052	5,348,370 12,771,000	5,354,188 <u>25,612,865</u>	61,958 7,811,490	113,436 4,998,971	175,394 12,810,461	3% <u>50%</u>
TOTAL CAPITAL PROJECTS		1,563,935	19,353,409	32,360,149	8,215,906	<u>5,161,925</u>	13,377,831	<u>41%</u>
327 AND 328 HOUSING								
	Housing	184,368	6,313,976	6,888,925	1.179.561	124,339	1,303,900	19%
тот	AL HOUSING	184,368	6,313,976	6,888,925	1,179,561	124,339	1,303,900	<u>19%</u>
TOTAL	CAPITAL PROJECT FUNDS	1,748,303	26,667,388	39,249,074	9,395,467	E,286,264	14,681,731	37%



Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2002/03 For the Month of October 2002 33% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	(cano or c	(FBIIC 327/320)
Cash and investments: Unrestricted	12,638,626	2,635,106
Accounts Receivable Loans and Notes Receivable <sup>1</sup>	3,158,401	20 22,708,329
Advance to Other Funds Fixed Assets <sup>2</sup> Other Assets	71,049	
Total Assets	15,868,076	25,343,455
LIABILITIES	i	
Accounts Payable and Accrued Liabilities Deferred Revenue <sup>3</sup>	11,047 999,969	10,318 5,549,211
Accrued Vacation and Comp Time  Total liabilities	5,249 1,016,265	2,162 5,561,691
FUND BALANCE	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	5,551,551
Fund Balance		
Reserved for:		
Encumbrances Advance to Other Funds	5,161,925	124,339
Properties Held for Resale Loans and Notes Receivable	71,049 2,158,430	17,159,118
Total Reserved Fund balance	7,391,404	17,283,467
Unreser∨ed Fund Balance	7,460,407	2,498,307
Total Fund Balance	14,851,811	19,781,764
Total Liabilities and Fund Balance	15,868,076	25,343,455

 $<sup>^{\</sup>rm 1}$  Includes Housing Rehab loans and loans for several housing and Agency projects.  $^{\rm 2}$  Includes RDA properties held for resale.

<sup>&</sup>lt;sup>3</sup> Includes the deferred payment portion of the loans noted above.



# JOINT CITY COUNCIL / REDEVELOPMENT AGENCY STAFF REPORT

Agenda Item # 27

Prepared By:

BAHS Analyst Approved By:

**BAHS Director** 

**Submitted By:** 

MEETING DATE: November 20, 2002

# COMMUNITY CENTER LAND TRANSFER RECOMMENDED ACTION:

- 1. Authorize the Executive Director to prepare and execute a Grant Deed transferring ownership of the land comprising the site for the Morgan Hill Community and Cultural Center at 17000 Monterey Road, Gavilan College Satellite Campus at 17060 Monterey Road, and the Morgan Hill Community Playhouse at 17090 Monterey Road, from the Morgan Hill Redevelopment Agency to the City of Morgan Hill;
- 2. Authorize the City Manager to do all that is necessary to accept the property on behalf of the City; and,
- 3. Direct the City Clerk to have the grant deed recorded in the Office of the County Recorder of Santa Clara County.

#### **EXECUTIVE SUMMARY:**

In order to clarify ownership and because this will be a City operated public facility, staff recommends the transfer of ownership of the land for the Morgan Hill Community and Cultural Center, Gavilan College Satellite Campus and the Morgan Hill Community Playhouse to the City of Morgan Hill.

With the completion of construction, major involvement by the Redevelopment Agency will be complete. All future operations, leases, rentals, maintenance and other obligations will become the City's responsibility. It is fitting, then that ownership should also rest solely with the City of Morgan Hill.

#### **FISCAL IMPACT:**

No fiscal impact.

#### CITY OF MORGAN HILL JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES - NOVEMBER 6, 2002

#### **CALL TO ORDER**

Chairperson/Mayor Kennedy called the meeting to order at 6:00 p.m.

#### **ROLL CALL ATTENDANCE**

Present: Council/Agency Members Carr, Chang, Sellers, Tate and Mayor/Chairperson

Kennedy

#### **DECLARATION OF POSTING OF AGENDA**

Deputy City Clerk/Deputy Agency Secretary Malone certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

#### City Council and Redevelopment Agency Action

#### **CLOSED SESSIONS:**

City Attorney/Agency Counsel Leichter announced the following closed session items:

1.

#### **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant Exposure/Initiation of Litigation

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 2

2.

#### <u>CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:</u> CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Legal Authority: Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)

Real Property(ies) involved: APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of

Cochrane Road (St. Louise Hospital property)

City Negotiators: Agency Members; Executive Director; Agency Counsel; F. Gale Conner,

special counsel; Rutan & Tucker, special counsel

Case Name: San Jose Christian College v. City of Morgan Hill Case Numbers: Ninth Circuit Court of Appeal No. 02-15693

Closed Session Topic: Potential Existing Litigation/Real Estate Negotiations

3.

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)
Case Name: City of Campbell et al. v. CalPERS

Case Number: OAH 5119

Attendees: City Attorney, City Manager

4

#### **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

Authority: Government Code section 54956.9(a)

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Case Name: Allivato v. City of Morgan Hill et al.
Case Number: Santa Clara County Superior CV 810111

Attendees: City Attorney, City Manager

5.

#### CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8

Property: APN 817-29-004, 605 Tennant Avenue, 439 sq ft

Negotiating Parties: For Property Owners: John Lincoln, Jr, Trustee of the John Lincoln Jr.

Trust: Robert E. Lincoln: John S. Lincoln

For City: Richard Hoffman; Jim Ashcraft; F. Gale Connor

Under Negotiation: Price and Terms of Payment

6.

#### CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8

Property: APN 817-08-026, 740 Tennant Avenue, 23.250 sq ft
Negotiating Parties: For Property Owners: Arthur A. & Susan A. Biedermann

For City: Richard Hoffman; Jim Ashcraft; F. Gale Connor

Under Negotiation: Price and Terms of Payment

7.

#### CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8

Property: APN 817-58-009, 16550 Railroad Avenue, 22.146 sq ft Negotiating Parties: For Property Owners: Dieter Folk; Steven P. Belzer

For City: Richard Hoffman; Jim Ashcraft; F. Gale Connor

Under Negotiation: Price and Terms of Payment

8.

#### CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Legal Authority: Government Code Section 54956.8

Property: APN 817-59-006, 16610 Cory Lane, 303 sq ft
Negotiating Parties: For Property Owners: Gary and Donita R. Cupps

For City: Richard Hoffman; Jim Ashcraft; F. Gale Connor

Under Negotiation: Price and Terms of Payment

#### OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairperson Kennedy opened the closed session items to public comment. No comments were offered.

#### **ADJOURN TO CLOSED SESSION**

Mayor/Chairperson Kennedy adjourned the meeting to closed session at 6:01 p.m.

#### **RECONVENE**

Mayor/Chairperson Kennedy reconvened the meeting at 7:05 p.m.

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#### **CLOSED SESSION ANNOUNCEMENT**

City Attorney/Agency Counsel Leichter announced that there was no reportable action taken in closed session and that closed session item 3 was continued to the conclusion of the regular agenda.

#### **SILENT INVOCATION**

#### **PLEDGE OF ALLEGIANCE**

At the invitation of Mayor/Chairperson Kennedy, City Clerk/Agency Secretary Torrez led the Pledge of Allegiance.

#### **PROCLAMATIONS**

Mayor Kennedy presented Jeff Christian with a proclamation, declaring November 25 - 29, 2002 as *National Family Week*.

#### **CITY COUNCIL REPORT**

Mayor Kennedy reported on his trip to the City's Sister City in San Casciano, Italy. He stated that last week, he and his wife returned from a trip to San Casciano, at his own expense. He indicated that the group was fortunate to meet the Santa Clara County delegation which has a relationship with the Provence of Florence. He stated that there was also a signing ceremony in the City of Florence on October 11 prior to the signing ceremony in San Casciano on October 12. He displayed photographs of the Sister City Signing Ceremony. He indicated that the Morgan Hill Sister City Committee is looking for new members and that they would be hosting a potluck on November 21, 2002 at 6:00 p.m. at the Hacienda Mobile Home Park Club House. He stated that everyone is invited to this potluck event.

#### **CITY MANAGER'S REPORT**

City Manager Tewes acknowledged the support of the community of Measure C, an important revenue measure, noting that 73% of the voters confirmed portions of the existing hotel/motel tax. He thanked the community for this support and indicated that staff recognizes that it has responsibilities as a city government to use these resources wisely. He said that later in the evening staff would be presenting a budget forecast and suggestions on how to accommodate some of the shortfalls.

#### **CITY ATTORNEY'S REPORT**

City Attorney Leichter indicated that she did not have a report to present this evening.

#### **OTHER REPORTS**

Council Member Chang congratulated Mayor Kennedy and Council Members Sellers and Tate on their overwhelming election victory.

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Council Member Tate announced that the 33<sup>rd</sup> annual Founders Day Dinner is taking place this Saturday night at the Buddhist Temple. He said that tickets are still available and that they can be obtained by calling Jennifer Tate.

#### **PUBLIC COMMENT**

Mayor/Chairperson Kennedy opened the floor to comments for items not appearing on this evening's agenda. No comments were offered.

#### **CONSENT CALENDAR:**

Action: On a motion by Mayor Pro Tempore Carr and seconded by Council Member Tate,

the City Council unanimously (5-0) <u>Approved</u> Consent Calendar Items 1-10 as

follows:

#### 1. PROCLAMATION FOR VETERAN'S DAY

<u>Action: Approved</u> Proclamation Proclaiming and Recognizing November 11, 2002, as Veteran's Day.

2. <u>SUBDIVISION APPLICATION SD 02-06: CENTRAL-CENTRAL PARK (APN 767-27-037)</u>

<u>Action: Took No Action</u>, Thereby Concurring With the Planning Commission's Decision Regarding Approval of the Subdivision Map.

- 3. SUBDIVISION APPLICATION SD 02-07: LLAGAS-DELCO/DIVIDEND
  - <u>Action: Took No Action</u>, Thereby Concurring With the Planning Commission's Decision Regarding Approval of the Subdivision Map.
- 4. <u>ANNEXATION APPLICATION, ANX-00-02: COCHRANE-LUPINE</u> Resolution No. 5620

**Action: Adopted** Resolution No. 5620, Amending Resolution No. 5608, Incorporating the Findings Required by the Local Agency Formation Commission.

5. <u>COMMUNITY AND CULTURAL CENTER PROJECT OPERATIONAL</u>
<u>PROCEDURES, POLICIES AND GUIDELINE SUPPORT</u>

<u>Action: Authorized</u> Amending the Contract Agreement with Sports Management Group to Provide Services With the Operational Planning for the Community and Cultural Center, Not to Exceed \$10,000, Subject to Review by City Attorney.

6. ADOPTION OF RECLASSIFICATION OF EVENT COORDINATOR POSITION AND SALARY RANGE TO THAT OF RECREATION SUPERVISOR (FACILITIES AND EVENTS)

<u>Action:</u> <u>Adopted</u> Revised Classification Specification Assigning the Event Coordinator Position to the Recreation Supervisor Classification and Salary Range Under Management Resolution No. 5320.

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#### 7. FINAL MAP ACCEPTANCE FOR MONTE VISTA PHASE II (TRACT 9385)

<u>Action:</u> <u>Approved</u> the Final Map, Subdivision Agreement and Improvement Plans; <u>Authorized</u> the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and <u>Authorized</u> the Recordation of the Map and the Subdivision Improvement Agreement Following Recordation of the Development Improvement Agreement.

## 8. <u>AWARD OF CONTRACT FOR CONSTRUCTION OF TENNANT AVENUE</u> NORTHBOUND RAMP SIGNALS

<u>Action:</u> <u>Awarded</u> Contract to McGuire and Hester for the Construction of 101/Tennant Avenue Northbound Ramp Signals in the Amount of \$197,500, Subject to Review by City Attorney.

- **9.** AWARD CONTRACT FOR OAK CREEK PARK TENNIS COURT RESURFACING

  Action: Awarded Contract to Vintage Contractors, Inc. for the Construction of the Oak

  Creek Park Tennis Court Project in the Amount of \$27,630, Subject to Review by City

  Attorney.
- 10. SPECIAL CITY COUNCIL MEETING MINUTES FOR OCTOBER 23, 2002

  Action: Approved the minutes as written.

#### Redevelopment Agency Action

#### **CONSENT CALENDAR:**

Agency Member Tate requested that item 12 be removed from the Consent Calendar.

Action: On a motion by Agency Member Carr and seconded by Agency Member Tate, the Agency Board unanimously (5-0) Approved Consent Calendar Item 11 as follows:

#### 11. AQUATICS COMPLEX PROJECT MANAGEMENT

<u>Action:</u> <u>Authorized</u> Payment of \$11,245 to Richard Sampson Associates Inc. for Project Management Services Rendered for the Aquatics Complex Project.

#### 12. LEED RATING ARCHITECTURAL SERVICES FOR AQUATICS COMPLEX

Agency Member Tate inquired whether the Redevelopment Agency should invest on certification versus being qualified for certification, not investing money on certification for the Leed rating?

Recreation and Community Services Manager Spier indicated that staff reviewed the request for proposal criteria and that staff passed onto the architect the Agency's request to strive for sustainability/green building concepts contained in the ELS proposal. When staff brought the contract before the Agency, it included a specific line item for Leed certification. She indicated that the \$98,000 includes the process for obtaining certification. She stated that there is a price tag to having the certification process completed and all of the paperwork submitted. She said that the consultant has stated that this is not all of the cost as this is the only cost that they can identify at this time.

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Agency Kennedy supported proceeding with the Leed certification. Although the consultant believes that the City can accomplish most of the objectives without having to pay for the certification, he felt that it is like any certification or license. He felt that it establishes a certain standard and a level of environmental qualities. If the City does not require this certification, the City may not attain what the Agency would like to achieve.

Agency Member Carr requested clarification as to whether the \$98,000 would attain certification? He said that whether or not the City spends the \$98,000 to obtain the certificate, the City would still complete the sustainable practices identified.

Ms. Spier said that in order for the architects to test themselves against the gold standards, they would have to start this process. If the City wants the architects to include certification as part of the processes it would involve using the \$98,000 because the architects would need to bring in other individuals and incorporate the wind survey. She stated that the architect is prepared, within the contract, to talk about the solar heating system and the green building concepts as they are incorporated in the design. She clarified that the \$98,400 is included in the current contract and that if certification is not desired, this amount can be deleted from the contract.

Vice-chairwoman Chang inquired how much funding would be required to meet the certification standards?

Ms. Spier indicated that the City would receive certification once the building is completed. She said that the process needs to be started through schematic drawings because if the City does not include certain aspects, points are lost. The City would need to commit to the standards that it would like to achieve. She indicated that she has been told that a gold standard is difficult to achieve and that the City has not applied gold standards with any of its projects. She said that ELS has indicated that it would cost \$98,000 to achieve a gold status, would include the design fees and that it can impact instruction costs.

Chairman Kennedy indicated that the building costs cannot be determined until the architect and the designers get into the design process. He said that the project's schedule calls for the estimate to be done after the architect gets to a certain point in the design, noting that they are not there yet. He did not believe that Ms. Spier or the consultants are in a position to provide building costs at this time.

Ms. Spier said that it is her understanding that the bronze certification is attainable, especially with some of the standards the City has established (e.g., solar heating). It is as the City moves up the certification process that it becomes more complicated and affects the construction dollars. She said that it is difficult to place a price tag on how certification would impact the overall project. She said that it could be stated that the City would like to keep an eye on the process but that the City is not ready to commit funds toward certification.

Agency Member Tate inquired as to other expenses involved other than \$98,000 for certification as he has been involved with a lot of certifications that require a lot of staff time. He questioned the need for certification as the architect indicates that he can achieve the design standards desired by the Agency, resulting in an approximately \$100,000 savings. He felt that in today's economy, the

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City needs every cent it can save.

Ms. Spier responded that she does not have a figure to identify at this time.

Council Member Sellers noted that the Agency is concerned with construction costs and where it will be in the short term. He said that the main reason for certification and not cutting corners is for the long term benefits. He noted that staff suggests that the City proceed initially with certification but that it seems to conflict with the steps of getting started right of way. He felt that the Mayor's caution was well advised as long as the City knows that it can attain gold level and not end up with things that cost the City down the road. Also, the \$98,000 pales compared to the extras that are to be paid in energy costs and other features. He inquired how far down the road would the schematics be and whether this is a process that the City can begin and alter down the road?

Ms. Spier felt that it was important to keep a watch on the City's goal. Beginning the process at this time would give the City the gold standard. She felt that this would be part of the cost, that the architects keep checking. If staff keeps on schedule, staff proposes to bring the schematics for Agency consideration in December 2002. She felt that in a two-month period, the City would have a better idea on how it matches up. She said that the City may wish not to build to a gold standard, attaining silver or bronze standards. However, without knowing the construction cost factors in terms of the long term energy savings, is hard to determine. She expressed concern that the Agency would get through schematics and start the design documents only to find that it is going to meet a standard and not have the money to go after certification. She felt that the ELS would be willing to monitor the project until the end of schematics. At that time, the Agency can determine if it wishes to proceed with the certification process.

Action:

On a motion by Vice-chairwoman Chang and seconded by Agency Member Sellers, the City Council unanimously (5-0) <u>directed</u> staff to proceed with the design to such a point that the Agency can determine what the cost would be of doing a full gold level Leed certification. The Agency to make a decision at that point whether to proceed or change course at a 20% cap.

#### City Council and Redevelopment Agency Action

#### **CONSENT CALENDAR:**

Action:

On a motion by Mayor Pro Tempore/Agency Member Carr and seconded by Council/Agency Member Tate, the City Council/Agency Board unanimously (5-0)

<u>Approved</u> Consent Calendar Items 13-14 as follows:

13. <u>JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL</u>
REDEVELOPMENT AGENCY MEETING MINUTES FOR OCTOBER 16, 2002

Action: Approved the minutes as written.

14. <u>JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND SPECIAL</u>
<u>CITY COUNCIL MEETING MINUTES FOR OCTOBER 23, 2002</u>

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**Action: Approved** the minutes as written.

#### City Council Action

#### **PUBLIC HEARINGS:**

## 15. <u>DEVELOPMENT AGREEMENT AMENDMENT, DA 02-04: SUNNYSIDE-QUAIL</u> CREEK Continued from 10/16/02 - Ordinance No. 1585, New Series

Community Development Director Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the

City Council unanimously (5-0) *Waived* the reading in full of Ordinance No. 1585,

New Series.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the

City Council <u>Introduced</u> Ordinance No. 1585, New Series by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA-02-04: SUNNYSIDE-QUAIL CREEK FOR APPLICATION MP 01-11: SUNNYSIDE-SOUTH VALLEY DEVELOPERS by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

## 16. OUT OF SERVICE AREA REQUEST, OSR-02-02: MANZANITA-MCLAREN Continued from 10/16/02 - Resolution No. 5618

Community Development Director Bischoff presented the staff report. He indicated that a replacement resolution has been distributed to the Council this evening that includes a new Section 3 that indicates that this kind of extension would be an administerial action and not subject to CEQA and Section 4 that would require SCRWA approval of the sewer connection before it actually occurs.

Mayor Kennedy inquired if a lift station would be involved with the request in any way as it appears that the sewer lateral is uphill from this property.

Mayor Pro Tempore Carr noted that the diagram shows a city lift station located 310 feet from the property with an existing sewer main coming up the back side of the property.

Director of Public Works Ashcraft stated that he was not sure whether he could answer the question this evening. He said that there were homes in the immediate area that are below the city's gravity sewer. Therefore, they each should have individual lift stations. He said that it appears that the house is uphill and that the homeowners would have to install a pump.

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Mayor Kennedy stated that the Council had a similar request in the past when it approved a request for a lift station. The lift station failed and the property owner sued the City, resulting in the City being stuck with an expensive settlement resulting from the failure of a lift station/check valve. He said that he did not want to repeat history again and have this problem occur again.

Council Member Sellers requested City Attorney clarification on what her recommendation would be on Mayor Kennedy's concern. He inquired whether the City was sufficiently protected or whether the Council needs to amend the resolution?

City Attorney Leichter responded that the Council would need to amend the resolution to address Mayor Kennedy's specific concern. She recommended that the applicant be placed on notice and agrees to the condition.

Mayor Kennedy opened the public hearing.

Mayor Kennedy asked the applicant if the requested sewer connection would require a lift station?

Mr. McLaren said that the houses to the left and right to his home have lift stations and that no problems have been experienced with their lift stations.

Ms. McLaren said that 13 years ago, she requested a sewer hook up and that she was turned down due to limited sewer capacity. Since her property was located in the County, all available hookups were to be allocated to residents of the City. After exhausting every avenue, she and her husband decided to patch the septic system the best that they could. She said that they have been trying to patch up the system for 13 years and that it is getting worse. She noted that a sewer connection exists within nine feet from her property and the pump station is located 300 feet from the property. She said that this is an environmental health issue and a problem.

Mayor Kennedy sympathized with the McLaren's situation. However, he said that 5-10 years ago, a similar situation was approved by the City where the pump and the check valve failed and the sewage back flowed from the City main into the home and caused extensive damage. The residents sued the City and the City was stuck in having to pay a substantial cost in damages. He said that this risk exits.

Mr. McLaren indicated that the newer lift stations are built better and have an automatic shut off valve to prevent back flow problems. If built and installed properly, a lift station should not cause a problem. He said that he and his wife would agree to indemnify and hold the City harmless.

No further comments being offered, the public hearing was closed.

City Attorney Leichter informed the City Council that the amended resolution provided to the City Council this evening contains a clerical error under Section 3. She said that this project is exempt from CEQA but is not administerial in nature. She stated that staff would be conforming the resolution to the actual CEQA language.

Action: On a motion by Council Member Sellers and seconded by Council Member Tate, the

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City Council unanimously (5-0) <u>Adopted</u> amended Resolution No. 5618 as presented by staff this evening, further amending Section 3 as it relates to CEQA and the addition of Section 5 to stipulate that approval of sewer hook-up would be contingent upon the property owners indemnification agreement to the City Attorney's satisfaction being executed.

# 17. GENERAL PLAN AMENDMENT, GPA 02-02: WATSONVILLE-CITY OF MORGAN HILL RDA AND ZONING AMENDMENT APPLICATION ZA-02-06: WATSONVILLE-CITY OF MORGAN HILL RDA Continued from 10/16/02 - Resolution No. 5617 and Ordinance No. 1586, New Series

Planning Manager Rowe presented the staff report, indicating that a revised ordinance was distributed this evening that corrects the title block that stipulates Council approval of the zoning amendment as opposed to recommending approval.

Mayor Kennedy opened the public hearing.

Keith Gangitano, 270 Via Noretto, informed the City Council that adjacent residents would like to address the Council under agenda item 17 and not 18 as indicated in the speaker cards. He indicated that property owners bought homes based on the fact that the land was yet undetermined but could be used for a fire station, a park or other uses, but not homes. He felt that the development committee missed an opportunity as the builder of their subdivision wanted to build additional housing. He said that now, 12 units are being proposed in a 1.5 acre space, noting that his subdivision has 24 units on 3.62 acres. He said that Calle Sueno is 90 degrees off of Watsonville Road and is a hazard. He felt that increasing the number of cars by 50% would increase the traffic hazard. He did not believe that the proposed housing project would be compatible with the existing homes. He stated his opposition to rezoning of the property, noting that the residents purchased their homes only a year ago. He recommended that homes be built across the street. He inquired as to the owner of the land as it was his belief that it is already owned by South County Housing, prior to Council consideration of the zoning request.

City Manager Tewes indicated that the land is owned by the Redevelopment Agency of the City of Morgan Hill.

Larry Garcia, 250 Via Noretto, stated that when he moved to Morgan Hill, he fell in love with the area and the small development of 24 homes. He purchased his home based on the indication that a park would be built next to him. He expressed concern that the increased density of low income home would impact property values and stated his opposition to the zoning amendment.

Mindy Zhang, 240 Via Noretto, indicated that she moved to Morgan Hill in May, coming from Mountain View. She stated that she spent 1.5 years looking for a home and found Morgan Hill the best city to live in. When she purchased her home, she was told that the land would be built as a small park. Now, she is being told that the land would be developed as residential. She opposed the zone change because of the traffic impact and safety. She recommended that a larger lot be found to build higher density units in order to achieve a better financial return. She did not believe that higher density units would be environmentally friendly. She noted that a small mushroom facility

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exists in the vicinity and that the smell in the summer is horrible. She requested that the 1.5 acres be zoned for a public park.

Andy Grouwstra, 251 Via Noretto, concurred with the comments of the previous speakers. He said that at a previous meeting, the Council was presented with a plan for 6 homes and that it has been increased to 12 homes. He said that there is nothing in the plans being presented that would preserve the values of the existing homes with the exception of the front of the homes which have been modified to look like the other homes. He felt that this was a bad development and that the homeowners oppose the project as it is too dense and would decrease the property values of homes.

Ramana Devaraj, 255 Via Noretto, said that homeowners would not be here today if the small parcel had been allowed to be built by the previous builder. She requested that the Council visit the area to assess the area in terms of development. She further requested that the property remain undeveloped for 2-3 years in order to evaluate priorities. She said that South County Housing presented a video depicting 12 homes, noting that only 6 homes are being made affordable to teachers. She did not want to see patchwork development in Morgan Hill. She requested that aesthetic values and priorities be considered.

Natalie Nelson, 261 Via Noretto, fourth generation Morgan Hill resident, stated that the City is proposing a project that would appear good and sugar coated while the residents are looking at its development as new and young. She felt that the City would be changing the environment and the residents' living status in order to build 12 units in a small location. She said that traffic is a concern and that 12 additional units would be coming in and out of a very narrow entrance. She expressed concern that the Council would be making a decision that would impact the rest of the lives of the existing residents. She said that residents are concerned about their children and their environment.

Christine Musselmann, 17235A Oak Glen Avenue, indicated that she is a second year teacher in the Morgan Hill school district and has lived in the community since she was young. She stated that she was excited to see Morgan Hill stepping up to provide affordable homes for purchase by teachers as it is hard to purchase homes in this area. She noted that the 12 homes being proposed do not have back yards but have common areas. She felt that most teachers would be looking to raise families in these homes and would like back yards. She suggested that each parcel be provided their own back yard so that children can play as a park is not available near this area of town.

John Thornberg, 275 Via Noretto, said that his wife was informed by a City employee that the property was owned by South County Housing. If true, he felt that this would be a conflict of interest if the City has already sold the land to the builder. He said that two income families would not be able to move into the proposed units. He felt that cramming residents into small areas would create problems and would adversely affect the neighborhood. He stated his opposition of the rezoning of land for housing.

Alisha Younger, 16975 Del Monte Avenue, indicated that she is a teacher in the community and supported rezone of the property in order to allow teachers to remain in the community. She felt that it was important to look at this issue as there is no affordable housing for teachers.

Parvich Shahab, 225 Via Noretto, stated his opposition to the project. He stated that it was his

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understanding that the City of Morgan Hill's implementation of such a project devalues different sections of the City. He said that the neighborhood has a police officer living in the complex who advises residents that she is having problems in some of these type of developments attributed to fights between gang members and drug problems. He inquired who would purchase the homes if teachers, police officers or city employees do not purchase the homes? He inquired what guarantees would there be that the neighborhood would remain safe. He did not believe that there was such a guarantee for safety. It was his understanding that the piece of land was a gift to City to be built as a public facility. If there is not a need for a fire station, he inquired why the City did not give the land back to the original developer?

Pamela Kellogg, 565 Claremont Drive, indicated that she plans to be a teacher, noting that her mother is a teacher. It is her desire to be able to spend the rest of her life in Morgan Hill. She said that it is difficult, on a teacher's salary, to pay high mortgages. If the City does not use this piece of property, she inquired if there was another piece of property that the City could build units for teachers that might be in a better location or less crowded? She said that she understands that homeowners have certain expectations and that it is right to honor them. However, at the same time, she is hoping that Morgan Hill can facilitate the need for teacher housing. If good teachers end up moving away because they cannot afford to live here, it will make it hard to education Morgan Hill's youth. She requested that a compromise be sought.

Marc Davis, 1135 Teresa Lane, a third grade teacher at Barrett Elementary School, stated that he grew up in Morgan Hill. He said that teachers have the American dream of owning a home like everyone else. Hearing about the rezoning of the property to accommodate teachers who do not make enough to afford the median homes of approximately \$580,000 gives him hope of settling in the city and giving back to the community. Based on the preliminary numbers that he has seen, teachers can afford all 12 of the proposed units. He felt that good schools equal good quality of life and good property values. He urged the City and the citizens present this evening, to sacrifice the dirt lot for public service.

Michael Donnelly, 15355 Calle Sueno, concurred with the comments expressed by others opposed to the rezone. He did not believe that placing 12 units would help life styles or property values in the existing development.

Trish DeWett, 1000 Easy Street, stated that she grew up in Morgan Hill and is now a teacher at San Martin-Gwinn School. As a single mother, she decided to return after graduating from college to raise her children in the environment that she was raised, a friendly, caring community where the needs of the residents are foremost. She stated that everyone is aware of the cost of living, especially housing and rent within Morgan Hill. She indicated that she has been on the list for a BMR unit since July 2000. She requested that the Council approve the affordable housing project so that the community can keep the teachers in Morgan Hill and not lose them to other areas that are providing housing or have lower cost of living. The community trusts teachers to teach its children, she requested that the teachers be trusted to own a home in the community.

No further comments being offered, the public hearing was closed.

Mayor Kennedy requested a staff report on agenda item 18 at this time.

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#### Redevelopment Agency Action

#### **OTHER BUSINESS:**

#### 18. WATSONVILLE ROAD HOUSING PROJECT

Business Assistance and Housing Manager Maskel presented the staff report indicating that since the last Agency meeting, City and South County Housing staff met twice with the neighboring property owners as well of a focus group of seven teachers. She said that the teachers have indicated that the need for affordable housing is great and were supportive of this type of project. With the Agency's approval of a 12-unit concept, staff is also requesting authority to negotiate a pre development loan with South County Housing not to exceed \$50,000. If approved, staff would return at a later date with a request for approval on the larger loan amount. She indicated that representatives from South County Housing and the architect were in attendance to address the proposed concept in greater detail with regard to design, affordability, comments from the neighbors/teachers, and financial impacts of any changes to the affordability, if the Agency decides to lower the affordability.

Chairman Kennedy inquired about the common space versus back yards for individual families.

Ms. Maskel informed the Agency that the proposed concept offers a small yard space that is designed into each unit.

Dennis Lalor, Executive Director, South County Housing, addressed the Watsonville Road housing project for teachers and public employees. He described the history of South County Housing in Morgan Hill as a private non profit organization founded in 1979 as well as the projects in Morgan Hill and Gilroy, reflecting the philosophy of building affordable, quality housing units. He addressed the concerns expressed regarding the proposed density, stating that he felt that the proposed density of 12 units is appropriate for this development. He said that the existing 3.6 acre, 24-unit development results in a density of 6.6 units per acre and that with the proposed 1.5 acre development of 12-units would equate to a density of 7.7 units per acre. He presented a proposed lot layout, circulation and design for the proposed 12-unit project. He said that the density of 7.7 per dwelling units per acre as opposed to 6.6 density for the adjoining units would result in 1,400 square feet as opposed to 1,800 square feet in the adjacent homes.

Mr. Lalor did not believe that anyone would be able to feel that the density would be bringing down the property values of the adjoining units. He confirmed that he met with teachers and received concerns from the focus group. The ability for teachers to purchase homes is a key in their ability to remain in the community. The teachers felt that there would be more than enough demand to be able to sell the 12 units being proposed and that they were interested in entry level participation and earn equity. He said that three bedroom homes were acceptable and that the size of the yards was important. He provided perspective drawings of the attractive housing project to be built to the standards of adjoining homes. He explained the financial components for this project, including income requirements for the various levels of affordability. He said that any monies received from the Housing Trust fund or any other funding sources would decrease the mortgage amount.

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Agency Member Sellers noted that one of the speakers expressed concern about access from Watsonville Road. He inquired what, if anything, was being done to mitigate this concern.

Mr. Lalor said that South County Housing said that public works staff usually imposes requirements to mitigate traffic problems as part of the entitlement process. He was confident that public works staff would take into account what the neighbors have stated.

Agency Member Sellers said that it was important that traffic concerns be addressed. He did not believe that traffic would be slatted to get worse and can only be improved with development. If the City has the opportunity to make the traffic situation better, he felt that the City should take advantage of this fact.

Mayor Kennedy noted that a question was asked about the guarantee that teachers or public employees would be the ones that rent or acquire the units.

Mr. Lalor said that within the constraints of the Fair Housing Laws, South County Housing has targeted populations in all their developments in Morgan Hill. However, South County Housing has not narrowed it to teachers or public employees. He said that there are allowances contained in the law to target a certain population. South County Housing feels that if given the first priority, there would be enough teachers who were interested in these units. He stated that he has been in contact with his attorneys who deal with fair housing activities and that he was confident that South County Housing could make the target population legally enforceable.

Vice-chairwoman Chang inquired if the adjacent development were also duet units?

Mr. Lalor indicated that the adjacent homes were duet units but that they were larger in size. He said that the zoning of the existing development is R-2, similar to the zoning being proposed.

Executive Director Tewes said that Watsonville Road is designated as a four-lane arterial in the City's General Plan Circulation Element with median islands and turn lanes once the area is fully developed.

Chairman Kennedy said that residents in the East Dunne development had to wait a few years until Dunne Avenue was eventually built out to have traffic concerns addressed. He indicated that the City does not have enough resources to install turn lanes and signal lights and that the City relies, to a large extend, on development to pay for the cost of these improvements. He stated that road improvements would occur as development occurs.

Executive Director Tewes provided a recital of the history of the property. He stated that as early as 1980, the property was designated in the general plan for residential purposes and was zoned R-2, 3,500, the very same designation being requested this evening. In the late 1980s, the Council adopted a fire master plan which called for a fire station in this location. In 1989, the developer of the surrounding homes proposed, in order to gain Measure P points, to make the property available for a public facility, a fire station. In 1990, the Redevelopment Agency purchased the land and that in 1992, the zone was changed from R-2, 3,500 to public facilities. Recently, the City adopted a new fire master plan that suggests that the next fire station is better located in the central part of town.

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Now, staff is before the Council to request that the zoning be restored to what it was in 1980.

Agency Member Sellers inquired as to procedural steps that need to occur for the two agenda items.

City Manager/Executive Director Tewes indicated that it is staff's recommendation that the Council first consider the General Plan and zoning designations. Item 18 is more a business transaction with a potential purchaser of the property.

# 17. GENERAL PLAN AMENDMENT, GPA 02-02: WATSONVILLE-CITY OF MORGAN HILL RDA AND ZONING AMENDMENT APPLICATION ZA-02-06: WATSONVILLE-CITY OF MORGAN HILL RDA Continued from 10/16/02 - Resolution No. 5617 and Ordinance No. 1586, New Series

Mayor Pro Tempore Carr spoke in support of the zone change, noting that staff is recommending that the general plan and zoning designation return to what was in place 20 years ago. He indicated that the site was designated as a fire station for a period of time. He stated that the City never designated or intended for the site to be a public park. He said that he was sorry that a developer misled individuals who may have purchased homes next to the site. However, a discussion on how to hold developers to their development agreements with regards to what they tell perspective buyers will be a discussion that the Council will have. He said that the Council went through a lengthy process to update the City's Fire Master plan. It was determined that a fire station was not needed in this part of town and that a site was needed more central to the downtown area. He said that it made sense to him that the property is no longer a viable spot for a fire station. Rezoning the land to the exact same zoning to that of the surrounding area made sense to him. He stated his support of this action tonight.

Council Member Chang said that recently she served on the County's Educational Blue Ribbon Task Force whose main focus was to look at how education can be improved countywide. When the Task Force tried to identify the problem, the number one problem identified was that the entire county was lacking qualified teachers. A professor from San Jose State University advised the task force that new teachers would stay in school districts for approximately 1.5 years. After this time period, 30-40% of the teachers leave the area to relocate in the central valley because of the housing values. She indicated that the Task Force is looking for solutions to retain qualified teachers. She understands the hardship it is to have new houses built next to one but that it was her belief that teachers would be the best neighbors that can be found. She felt that the community needs to provide housing for teachers and that the City needs to be able to do what it can to improve the educational system and retain its teachers. She stated her support of the general plan and zone change to residential.

Council Member Sellers noted that approximately a half dozen concerns were expressed this evening, half due to misinformation and some due to lack of information. He said that these concerns are valid but felt that the City has taken a lot of time to make sure that they are addressed. He said that the traffic concern is a silver lining to this project for those individuals who currently reside in the area. He had little doubt that the traffic situation would improve as far as access to Watsonville Road. He stated that the traffic situation would not get worse and would lead to improvements sooner. He felt that the density issue was addressed through the design changes and

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with neighbor input. He noted that the density would be almost identical to the adjacent development. He indicated that he resides close to a fire station and that he was perplexed that individuals would want to live adjacent to a fire station as they create disruptions to neighborhoods and did not believe that they add to property values. He was convinced that this project would not harm property values but would improve and enhance their values. He said that he spent a good part of last year going throughout Santa Clara County talking to teachers about home ownership. He said that home ownership for teachers these days is a critical issue. He said that property values would only increase, making it more difficult for teachers to own homes. He stated that the price ranges for these units are affordable to teachers who he spoke with and would allow teachers to become the kind of neighbor that everyone would like to have. He recommended that the City consider a realty disclosure as it is unfair to the Council and the community, as a whole, to have individuals purchase homes and be told things that are not accurate. He felt that it was vital for the Council to take the extra step to make sure that disclosures are provided. He was certain that there would be far more teachers looking at acquiring these properties than affordable units available. He stated his support for this project.

Council Member Tate concurred with the comments expressed by the other Council members. He said that the City is in a fortunate situation and owns this parcel as another alternative site does not exist for the teacher housing project. He said that the units would be going through the development process and that the public would have ample opportunity for input to make sure that the safety issues are addressed and that the homes are compatible. He noted that the Council would also be looking at these issues. He stated his support of the general plan and zoning applications.

Mayor Kennedy said that as he spoke to citizens during the campaign period, one of the concerns and issues he heard from the public is that of the quality of public schools and the education that our children are receiving. He said that one of the things that the City can do is help provide affordable housing for the community's teachers. Therefore, he supports the actions before the City Council as the City needs to do everything it can to work with the School District and School Board to help our public educational system and teachers. He felt that the community needs to help teachers to be able to reside in the community in which they work. He commits to the neighbors that this would be a project that it would not regret having in its neighborhood. He said that the City will do its best to make this a quality project for the neighborhood.

<u>Action:</u> On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** the Mitigated Negative Declaration.

<u>Action:</u> On a motion by Council Member Sellers and seconded by Council Member Chang, the City Council unanimously (5-0) <u>Adopted</u> Resolution No. 5617.

Action: On a motion by Council Member Sellers and seconded by Council Member Chang, the City Council unanimously (5-0) Waived the reading in full of Ordinance No. 1586, New Series, as amended.

Action: On a motion by Council Member Sellers and seconded by Council Member Chang, the City Council <u>Introduced</u> Ordinance No. 1586, New Series by Title only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF

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MORGAN HILL APPROVING ZONING AMENDMENT ZA-02-06 WATSONVILLE-CITY OF MORGAN HILL RDA CHANGING THE ZONING DESIGNATION FROM PUBLIC FACILITIES TO R2-3,500 ON A 1.55 ACRE SITE. (APN 767-23-017), as amended, by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

#### 18. WATSONVILLE ROAD HOUSING PROJECT

Agency Member Carr inquired whether the Agency Board was considering, in concept, the development and a predevelopment loan? He noted that when Mr. Lalor went through his presentation, he displayed some charts about affordability that had two different amounts of contribution from the Agency. He inquired whether the Agency was making these decisions this evening or whether the Agency would be moving forward with the concept and would discuss the amount of Agency contribution at a later date?

Ms. Maskel stated that staff is seeking Agency approval to move forward and to work out the predevelopment loan. Staff would flush out the concept, prepare a loan, move ahead, and put together the full agreement and determine what would be needed. She said that it would be helpful to have the Agency Board's input on this issue so that staff can move forward in the right direction.

Executive Director Tewes stated that by approving the concept, the Agency Board is not approving the site and architectural plans for this project. He said that the project would need to go through the entitlement process which would involve public input by various bodies. He said that the City would need to review this concept against city codes and standards to see if variances, if any, would be required. As the City goes through the reviews, the business aspects of the proposal get evaluated as well. He said that it would be helpful to have Council guidance as staff negotiates the agreements to the extent to which the Agency Board would like to see diversity of housing types and affordability ranges.

Agency Member Carr indicated that he received a basic salary schedule for teachers and that \$39,000 is the salary for a second year teacher in the Morgan Hill Unified School District. He said that this is 60% of medium income for the area. He said that \$69,000 (100% of medium income) is the salary of a teacher with 25+ years with the School District. He said that he would be interested in finding ways for the City to use the 60% medium income table versus 80%. He said that the purpose of proceeding with a teacher housing project is to get the entry level teachers who within three years of their careers would be living the community. He felt that the community needs to provide housing to retain teachers in the community. He noted that these are entry level homes and that they are not one's dream home. These homes will allow teachers to start building equity and allow them to remain in the community, become quality teachers, and become mentors for the next generation. He said that the District has half the teachers who are at the upper end who would be retiring and half are at the very young end like the teachers in attendance this evening. He felt that the city would be facing the same problem as teachers will be retiring and teachers would be leaving because they cannot remain in the community. This would result in a struggle to recruit teachers and would result in more teachers on emergency credentials who may not be qualified to teach our children.

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Chairman Kennedy stated his support of the 60% medium income table recommendation as well.

Vice-chairwoman Chang inquired as to a resale policy on this type of project?

Ms. Maskell indicated that the resale policy has not been worked out but will be determined.

Agency Member Sellers stated that another reality of not paying teachers adequate wages is the fact that a few tend to marry individuals who are not teachers. He said that he ran into a number of teachers who individually may have made a salary less than \$50,000 but the household income was more than \$100,000. He noted that the City has limited housing dollars and that the City should consider how best to use them. Under further consideration, he stated that he would agree with Agency Member Carr because it would be vital for the community to recruit younger teachers beginning their careers. He said that a lot of the teachers at the other end of the spectrum have been doing so for many years and are getting ready to retire. As this happens, the community would be facing a crisis in the School District and that it would be vital that this gets addressed in a long term solution and not have revolving teachers that are here for a few years and decide that the community they grew up is no longer one that they can afford to live in. He felt that the City needs to stretch the housing dollars as much as possible but understanding that in order to address this problem, the Agency needs to go down and use the 60% range.

Action:

On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Redevelopment Agency Board unanimously (5-0) <u>Approved</u> the Concept for the Development of 12 For-Sale Housing Units for Teachers on the Redevelopment Agency (Agency) Owned Property at the Southwest Corner of Watsonville Road and Calle Sueno, per the comments as stated above.

Action:

On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Redevelopment Agency Board <u>Directed</u> Staff to Negotiate, Prepare, and Execute a Pre-Development Loan Agreement with South Council Housing, Not to Exceed \$50,000, Conditioned Upon Review by Agency General Counsel, per the comments as stated above.

#### City Council Action

#### **PUBLIC HEARINGS - CONTINUED:**

## 19. ZONING AND DEVELOPMENT AGREEMENT APPLICATIONS, ZAA 00-17/DA 02-06: LLAGAS - DELCO/DIVIDEND - Ordinance Nos. 1587 and 1588, New Series

Community Development Director Bischoff presented the staff report.

Mayor Kennedy opened the public hearing. Dick Oliver, applicant, stated that he was present to answer any questions that the Council may have. No further comments being offered, the public hearing was closed.

*Action:* On a motion by Council Member Tate and seconded by Council Member Sellers the

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City Council unanimously (5-0) <u>Waived</u> the reading in full of Ordinance No. 1587, New Series.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council <u>Introduced</u> Ordinance No. 1587, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE PRECISE DEVELOPMENT PLAN ESTABLISHED UNDER ORDINANCE NO. 1522, NEW SERIES, FOR A 62-UNIT R-1 (7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE SOUTH SIDE OF LLAGAS AVENUE, AND THE WEST SIDE OF HALE AVENUE. (APNS 764-32-005, 010 & 012) by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council unanimously (5-0) <u>Waived</u> the reading in full of Ordinance No. 1588, New Series.

Action:

On a motion by Council Member Sellers and seconded by Council Member Tate the City Council <u>Introduced</u> Ordinance No. 1588, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA 02-06 FOR MP 01-05: LLAGAS-DELCO (APN 764-32-005, 010 &012) by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

20. ZONING AMENDMENT: ZAA-01-12 AND DEVELOPMENT AGREEMENT, DA-02-05: CENTRAL-CENTRAL PARK PHASE V (APN 767-27-037) - Ordinance Nos. 1595 and 1596, New Series

Planning Manager Rowe presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the City Council unanimously (5-0) Waived the reading in full of Ordinance No. 1595,

New Series.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the

City Council <u>Introduced</u> Ordinance No. 1595, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO A PRECISE DEVELOPMENT PLAN FOR A 164 UNIT R-1 (7,000) & R-2 (3,500)/RPD SINGLE-FAMILY RESIDENTIAL PLANNED DEVELOPMENT LOCATED ON THE NORTH SIDE OF EAST CENTRAL AVENUE AT CALLE HERMOSA. (APN 726-27-

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**037)** by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the City Council unanimously (5-0) <u>Waived</u> the reading in full of Ordinance No. 1596, New Series.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council Introduced Ordinance No. 1596, New Series, by Title Only, as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-02-05: EAST CENTRAL - CENTRAL PARK FOR APPLICATION MP-01-10: CENTRAL CENTRAL PARK DEVELOPMENT, LLC by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

21. AMENDMENT OF MUNICIPAL CODES REGARDING ADOPTION OF THE ADMINISTRATIVE, BUILDING, ELECTRICAL, MECHANICAL, AND PLUMBING UNIFORM CODES - Ordinance Nos. 1589, 1590, 1591, 1592 and 1593, New Series

City Attorney Leichter presented the staff report.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the City Council unanimously (5-0) <u>Waived</u> the reading in full of Ordinance Nos. 1589, 1590, 1591, 1592, and 1593, New Series.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1589, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN AMENDING SECTIONS 15.08.010 (ADOPTION OF THE CALIFORNIA BUILDING CODE AND THE UNIFORM BUILDING CODE), 15.08.020 (SHORT TITLE), 15.08.040 (ADDITIONS, AMENDMENTS AND DELETIONS), 15.08.090(A) (SECTION 310.7 AMENDED--SINGLE-ROOM OCCUPANCIES (SRO)), 15.08.100(A) (SECTION 2320.11.3, ITEM 5, DELETED-GYPSUM BOARD USE), 15.08.110(A) (SECTION 2320.11.3, ITEM 7, AMENDED--CONVENTIONAL CONSTRUCTION PROVISIONS (BRACING)), 15.08.120(A) (SECTION 1900.4.4 AMENDED-- MINIMUM SLAB THICKNESS), 15.08.130(A) (SECTION **1806 AMENDED--**FOUNDATION REINFORCEMENT), 15.08.140(A) (SECTION 3205.2 AMENDED--PROJECTIONS AND CLEARANCE), 15.08.150(A) (SECTION 3205 AMENDED BY ADDING SECTION 3205.8--VERTICAL SUPPORTS), 15.08.160(A) (SECTION 3205.3 AMENDED-- MARQUEE LENGTH),

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15.08.170(A) (SECTION 3403.2 AMENDED-- SUSPENDED CEILING UPGRADE), 15.08.190(A) (CHAPTER 13 AND APPENDIX CHAPTER 13 OF THE 1997 UNIFORM BUILDING CODE DELETED), 15.08.200(A) (TABLE 1-A OF THE 1997 UNIFORM BUILDING CODE DELETED), AND 15.08.210 (SECTIONS 904.2.2 THROUGH 904.2.8 OF THE 1997 UNIFORM BUILDING CODE DELETED) OF CHAPTER 15.08 (BUILDING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE, ADOPTING THE 2001 EDITION OF THE "CALIFORNIA BUILDING CODE" VOLUMES 1, 2, & 3, INCLUDING APPENDIX CHAPTERS 3 DIVISION II, 4, 15, 18, 31, 33 AND 34, WITH AMENDMENTS, AS THE BUILDING CODE OF THE CITY OF MORGAN HILL by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council Introduced Ordinance No. 1590, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.12.020 (ADOPTION OF THE NATIONAL ELECTRICAL CODE) AND 15.12.060 (ARTICLE 90-4 OF THE 1996 NATIONAL ELECTRICAL CODE), AND DELETING SECTION 15.12.040 (ADDITIONS, AMENDMENTS AND DELETIONS) OF CHAPTER 15.12 (ELECTRICAL CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA ELECTRICAL CODE," PUBLISHED BY THE NATIONAL FIRE PROTECTION ASSOCIATION, WITH AMENDMENTS, AS THE ELECTRICAL CODE OF THE CITY OF MORGAN HILL by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council Introduced Ordinance No. 1591, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTIONS 15.16.020 (ADOPTION OF THE UNIFORM MECHANICAL CODE) AND 15.16.040 (AMENDMENTS AND DELETIONS) OF THE MORGAN HILL MUNICIPAL CODE AND ADOPTING THE 2001 EDITION OF THE "CALIFORNIA MECHANICAL CODE," AND THE 2000 EDITION OF THE "UNIFORM MECHANICAL CODE," PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING AND MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE MECHANICAL CODE OF THIS CITY by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council <u>Introduced</u> Ordinance No. 1592, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN

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> HILL AMENDING SECTIONS 15.20.010 (SHORT TITLE), 15.20.020 (ADOPTION OF THE CALIFORNIA PLUMBING CODE AND THE UNIFORM PLUMBING CODE), 15.20.030 (SCOPE, ORGANIZATION, ENFORCEMENT, FEES AND INSPECTIONS), 15.20.040 (AMENDMENTS AND DELETIONS), 15.20.050 (SECTION 604.2 AMENDED--WATER LINES AND FITTINGS), 15.20.060(A) (SECTION 608.2 AMENDED--PRESSURE REGULATORS), 15.20.070(A) (SECTIONS 609.3.1 AND 609.3.2 AMENDED--PIPING UNDER SLABS), 15.20.080(A) (SECTION 710.1 AMENDED-BACKWATER VALVES), AND 15.20.100(A) (SECTION 1001.0 AMENDED--VENTS AND TRAPS) OF CHAPTER 15.20 (PLUMBING CODE) OF TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE MORGAN HILL MUNICIPAL CODE TO ADOPT THE 2001 EDITION OF THE "CALIFORNIA PLUMBING CODE," AND THE 2000 UNIFORM PLUMBING CODE PUBLISHED BY THE INTERNATIONAL ASSOCIATION OF PLUMBING & MECHANICAL OFFICIALS, WITH AMENDMENTS, AS THE PLUMBING CODE OF THIS CITY by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None: ABSENT: None.

#### Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council <u>Introduced</u> Ordinance No. 1593, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING SECTION 1.01.010 (ADOPTION OF THE MORGAN HILL CODE), OF CHAPTER 1.01 (CODE ADOPTION) OF TITLE 1 (GENERAL PROVISIONS) OF THE MORGAN HILL MUNICIPAL CODE TO INCLUDE THE CURRENT EDITIONS OF THE CALIFORNIA BUILDING, ADMINISTRATIVE, ELECTRICAL, MECHANICAL AND PLUMBING CODES by the following roll call vote: AYES: Carr, Chang, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

# 22. <u>APPLICATION ZA-02-13: ZONING TEXT AMENDMENT ESTABLISHING PROVISIONS FOR DEVELOPMENT AGREEMENTS</u> - Ordinance No. 1594, New Series

Planning Manager Rowe presented the staff report.

Mayor Pro Tempore Carr inquired whether the development agreements were something that the City can use to help avoid situations such as the one that occurred this evening where a developer is telling home buyers incorrect future development potentials?

City Attorney Leichter said that the Council could condition approval of a project such that the developer does not misrepresent the current zoning status of its property or surrounding properties to potential buyers. She said that staff will be looking at ways that the City can encourage developers to be more informative about these items either in the conditions of approval or in the development agreements or by adopting an ordinance that would require divulgence of such facts by real estate brokers.

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Planning Manager Rowe said that the City requires that developers disclose to home buyers the presence of the mushroom farm. He stated that staff wanted to make sure that residents were aware of the agricultural use in the proximity and that this was conditioned upon development.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

<u>Action:</u> On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr,

the City Council unanimously (5-0) <u>Approved</u> the Mitigated Negative Declaration.

<u>Action:</u> On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr,

the City Council unanimously (5-0) <u>Waived</u> the reading in full of Ordinance No.

1594, New Series.

Action: On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Carr,

the City Council <u>Introduced</u> Ordinance No. 1594, New Series, by Title Only, as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ENACTING CHAPTER 18.80 OF THE MUNICIPAL CODE OF THE CITY OF MORGAN HILL REGARDING DEVELOPMENT AGREEMENTS by the following roll call vote: AYES: Carr, Chang, Kennedy,

Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

#### City Council Action

#### **OTHER BUSINESS:**

#### 23. KENT CONSTRUCTION - SUBSTITUTION OF SUBCONTRACTORS

City Attorney Leichter presented the staff report.

Mayor Kennedy opened the floor to public comment.

Larry Kent, Kent Construction, informed the Council that a substitution was made in the project that is allowed. He said that the condition that applied in this instance was that the plumbing subcontractor, after he was awarded the job and pursuing job subcontracts, informed him that he would be unable to meet the insurance requirement. The subcontractor's broker was checking into the insurance at the time he bid the job. The subcontractor nor Kent Construction knew that insurance had not been secured at time of bid. Kent Construction listed him as their subcontractor of record. It was not until he formalized it with the subcontractor in qualifying his bid that it was discovered that this was a problem. He indicated that the subcontractor requested that he be allowed to withdraw his bid. Kent Construction was faced with either waiving the insurance requirements, which he could not do, or go to the second lowest bidder. Kent Construction decided to go with the second lowest bidder in this case. The issue came up for discussion at one of the meetings with the playhouse management team. He said that he dropped the ball in pursuing further paper work on the substitution. He stated that there was no bid chopping that occurred in this instance. He noted that the second lowest bidder was hired at no cost to the city and that he is having to sign a contract

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for more money than what was budgeted for the plumbing line item. He has reviewed the labor codes as they relate to the allegations and stated that he did not believe that there were violations on his part. He requested that the Council clear Kent Construction's name and approve the substitution. He indicated that both plumbers were in attendance on his behalf and would be available for questions.

No further comments were offered.

Council Member Sellers said that the initial concerns raised by staff were appropriately raised. If it were the case that there was bid chopping, everyone would be concerned. He stated that he was contemplating the appropriate mitigation. He said that based on the fact that Mr. Kent has to pay more to get the same job done would be sufficient in this particular case. He felt that the Council needs latitude because there may be times where the punishment would be greater for the City than it would be for the vendor given this certain situation. He did not believe that assessing a fine would make sense in a case such as this one. He appreciated having this issue brought to the Council's attention and that it was something that the City needs to be diligent about. However, in this instance, it was his belief that the situation has been rectified.

Mayor Kennedy inquired how this situation can be avoided in the future?

Glenn Ritter responded that in order to avoid this situation in the future, staff would watch the subcontractors list a lot closer and its distribution prior to being distributed as public records. Staff would verify that any substitutions would be noted on the list. He stated that this is how this whole oversight occurred.

Mayor Kennedy requested that this be reflected in the record so that this does not happen again.

Mayor Pro Tempore Carr did not believe that any bid chopping occurred in this case. He said that he has had the opportunity to discuss this matter with the City Attorney and Mr. Kent and that he has read the code as well. He noted that a letter he read suggested a severe penalty. It was his belief that covering this cost would be something that would be warranted and would make sense to make sure that the City is not out any cost in preparing the report, including the City Attorney's time to follow this issue and respond appropriately. He felt that the cost to the City is very minimal and that it would be a fair penalty to impose as a result of this instance. He felt that a \$1,000 cap would be an appropriate amount to charge.

Council Member Sellers inquired if staff could come up with the cost of staff time spent on this issue.

City Attorney Leichter indicated that staff has not been keeping track of the time spent responding to this issue. She said that staff could estimate how much time it has taken to review letters and draft responses and research the Public Contracts Code.

Council Member Tate did not support imposing a penalty because situations arise and mistakes are made. He said that the City has staff in place to deal with them and to make recommendations about preventing mistakes in the future. He agreed that a mistake was made and that it has been admitted.

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He felt that there was a penalty with having to go to the second low bidder.

Council Member Chang concurred with Council Member Tate's comments.

Mayor Kennedy also concurred with Council Member Tate's comments and that he did not believe that a financial penalty was in order in this case. It was his belief that Kent Construction acted in good faith and did not try to mislead the City in anyway. Also, Kent Construction is incurring additional costs to go to the next low bidder. He felt that this was a sufficient penalty in itself.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0): 1) <u>Made a Finding</u> that a violation of the Public Contracts Code provisions governing substitution of subcontractors occurred; 2) that a <u>penalty not be imposed</u>, and 3) <u>approved</u> the substitution with the second low bid subcontractor.

# 24. <u>ADOPT RESOLUTIONS OF NECESSITY FOR PROPERTY ACQUISITION FOR PROPOSED BUTTERFIELD EXTENSION, PHASE IV</u> - Resolution Nos. 5621, 5622, 5623 and 5624

Public Works Director Ashcraft presented the staff report.

Mayor Kennedy opened the floor to public comment.

Dr. Biedermann distributed to the Council a packet of information relating to his property. He indicated that he has a deep commitment to Morgan Hill and would like to see it move forward. He indicated that he purchased his property in 1985 and that there was a rumor about an expressway that was to be built called Sutter Boulevard. In 1991, he received a copy of the official plan line for Sutter Boulevard. He noted that the boulevard seemed to stop at Tennant Avenue and that he inquired as to the plan beyond Tennant Avenue. He was advised that it would be worked out at a future date and that it would be equitable so that his property would not be adversely affected. Since that time, there have been various scenarios of how the then Sutter, now Butterfield Boulevard would be laid out. He addressed the legged and s-curved layout. He received a letter from the appraiser indicating that there was to be acquisition notification of his property for a plan that he had never seen before. He said that this was not an official agreement and immediately prompted discussions. He made an appointment to see Bill McClintock who reviewed the situation and stated that he was as surprised as anyone because the alignment with the s-curve would always be considered. He said that there was no indication that there would be a straight thru alignment and that he was never notified about the public hearings relating to the EIR for the Butterfield extension.

Dr. Biedermann said that in 1993, he was asked to sell land in order to increase the width of Tennant Avenue. He agreed to sell the land. However, in the 2001 proposal, nothing more came of the issue. He raised the question about the propriety of the way the s-curved had been changed to a straight line. On September 12, 2002, he received a revised offer letter, forgetting about the idea that there was to be a Butterfield Boulevard extension and a corner cut from his property. He said that this plan does not make sense to him and stated his objections. He did not believe that this was a plan but an expediency in order to obtain a small section of land that is important for Johnson Lumber.

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He felt that it was also important, as property owners, to know the ultimate plans. He stated that he could not agree to a plan that has been hastily put together. He did not believe that this would be long term negotiations. He stated that he has not approved the plan and that he does not want to be considered as an obstructionist. He requested that he be notified of EIR hearings that effect his property and wanted to know where the extension would go south of his property. He did not support carving out his property which would make it less than useful. He requested better consideration with the identification of where Butterfield is to go so that it can be acted upon in total and not piecemeal approval.

Mayor Kennedy referred to the plan of May 2002. He noted that Mr. Biedermann's parcel is indicated as 14 acres net.

Mr. Biedermann stated that his parcel started out as 15 acres in 1985 but by the time of Tennant Avenue addition and this proposal, it is down to 11 or 12 acres. He said that the City has requested that he not consider this area as isolated parcels. Staff wanted to consider the entire 29 acres that represent owners who do not want to develop at this time. He provided a plan for the entire 29 acres. The plan identifies plot lines where buildings could be accommodated but that it does not mean that the buildings would be cited as presented. He stated that the drawings were submitted to the planning department in May 2002.

No further comments were offered.

Council Member Seller requested clarification of the s curve and where it went.

Director of Public Works Ashcraft said that he has not been provided with copies of what has been provided to the Council by Dr. Biedermann. He said that in June 1992, a form letter was sent to all property owners within the alignment of the proposed Butterfield Boulevard from Cochrane to Middle Avenue regarding the draft environmental impact report (EIR) for the Sutter Boulevard Extension, notifying the property owners of the public hearings by the planning commission on June 23, 1992. He indicated that notices were sent to 60 property owners and includes Dr. Biedermann relating to the EIR being processed through the City. Included in the back of the EIR was a large fold out map showing the Butterfield alignment all the way from Cochrane to Middle Avenue in a straight line alignment of more than 1,000 feet past Tennant Avenue. In 1992, the plan line shows a straight line through Dr. Biedermann's property. He noted that the s-curve was centered on Fisher Avenue. Therefore, an s-curve was in the final document but was located over 700 feet south of Dr. Biedermann's property. He stated that has not been able to find anything in the city's records that shows an s-curve as presented by Dr. Biedermann. He said that the proposed alignment matches Dr. Biedermann's page 5 exhibit that shows the entire 155 feet right of way on his vacant parcel of land. He said that approximately 1.5 years ago, the City tried to acquire the entire 700-foot stretch of 155 feet of right way. The City had problems had problems in the negotiations. It was stated by either Dr. Biedermann or his represented that it might be easier to make an offer to buy the property needed as it became clear that the city was not planning to build the street through the entire 700foot length. Subsequently, he indicated that the city's legal counsel has looked at this proposal who is now comfortable with purchasing only the 150 depth of the 155 foot width for the right of way area, especially if the city has to take it through eminent domain. The City can pursue the purchase of the remainder land at a later date. If through the negotiations, the property owner believes that City of Morgan Hill Joint Special and Regular City Council and Special Redevelopment Agency Meeting Minutes - November 6, 2002 Page -27-

it was in his best interest to settle on the entire 700 feet without the use of eminent domain, he felt that the city would be prepared to do so. He said that the city is willing to take all of the property at this time or take the front half of the property through negotiations.

Dr. Biedermann said that there is nothing in anyone's file that can be produced that he asked for the little corner to be chopped out. He stated that he did not want the small area chopped out. He said that he would like to have the location of the s-curve issue resolved in writing.

Mayor Kennedy felt that the proposal to proceed with the resolution of necessity to acquire the small parcel begins to include the beginning of the s-curve. If the city was to proceed with negotiations on this parcel, it would result in very little difference with an s-curve or straight line. Should the City proceed with the resolution of necessity, he inquired whether there was latitude, should the City decide that it makes sense to proceed with an s-curve on this parcel?

Gale Connor, City Counsel, said that from a legal stand point, the City is still in the planning process for the balance of the Butterfield Boulevard extension project. He said that the originally approved project for which there was CEQA compliance by means of the 1992 EIR would need to be revisted/reopened if the road is to be rerouted or changed in any way other than a straight line. He said that the design of the road is still in the planning process and could be realigned to an s-curve or other configuration as it is not in the implementation phase. He said that alternative alignments could be studied.

Council Member Sellers inquired whether the Council would be better advised to try to resolve this sooner rather than later because it is impacting an adjacent property owner? In addition, he felt that Dr. Biedermann would be more predisposed to work with the City on the acquisition should the City be able to find resolution to this issue.

Mr. Connor said that it was his understanding that from a traffic safety perspective, this piece of property is required for the build out for the Butterfield Boulevard extension, commencing early next year. Also, this property is required for traffic safety. If the Council was to go back and study a brand new alignment across the entire length of the property, then the City would not be in a position to acquire this piece of property at this time. He did not know the effect it would have on the balance of the Butterfield Boulevard project. Should the City wish to realign the road, the City would need to restudy it and place the adjacent property owners on notice that there is a new plan for alignment which would necessitate new studies and planning approvals. This would delay beyond the time of planned construction of Butterfield Boulevard extension.

City Attorney Leichter said that what is being proposed is something that is necessary for traffic safety to implement a project that the City has currently planned and has environmental clearance for. If the City is looking at realigning the roadway, this may require further environmental review and/or clearance and may also require further eminent domain proceedings that have not been contemplated to date. Therefore, the most conservative approach is to take the land that is currently needed. She indicated that the City only needs this portion of the parcel both from an environmental stand point and from an eminent domain stand point.

Council Member Sellers felt that this is a far more extensive process and that the best that may be

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offered to Dr. Biedermann is the assurance that the acquisition is being considered and would not preclude realignment in the future. He did not believe that the City could provide assurances that the City would align it now.

City Attorney Leichter said that the only thing that staff is recommending is that the City Council approve the resolution of necessity. She stated that negotiations would continue after this point. She said that should the Council wish to explore alternatives, staff would do so.

Mayor Pro Tempore Carr said that he was not sure whether the discussion of an s-curve or a straight alignment was important for tonight's discussion. He noted that the City has an EIR that was approved 10 years ago for a straight alignment and that all property owners in the area should have looked at this map 10 years ago to see what the alignment was. If the Council was to state that it would open up the possibility of someday going back and turning it into an s-curve, he felt that the City is opening its doors to a lot more. He felt that the Council would be suggesting that the City could possibly be taking property from an existing business instead of an open field. He did not believe that this makes sense. The action before the Council is to approve resolution of necessity for the 150 x 155-foot piece of property. If Dr. Biedermann would like to discuss the entire stretch of property, he did not know if it would preclude the City from having this conversation. He noted that Dr. Biedermann asked a question whether the stub included a plan for the future. He said that this information is contained in a 10-year-old EIR that has been approved and has gone through a state required CEQA process. Therefore, this is a the plan for the future of what the alignment would be. He felt that the whole discussion about changing the alignment in the future would be a mistake to even have that conversation.

Mayor Kennedy recommended that the Council move forward with this item. He felt that there was very little impact to Dr. Biedermann's property with or without the s-curve. In light of the schedule that the City needs to move forward with the Butterfield extension, the City needs to proceed for this portion of the property. He said that should there be an s-curve, there may be a slight change which could be worked out at the planning process. He felt that the City needs to proceed as it is critical that the City gets Butterfield cut through to Tennant based on the timeline. He recommended that the Council proceed with the resolution of necessity.

Council Member Sellers said that it was not his intent to extend the discussion this evening. He felt that it was crucial for the Council to go through this discussion because the property owner had a different impression of what was happening than City staff. He did not believe that it was fair for the Council to proceed unless the property owner has some sense that their understanding is the same as that of the City's. He stated that he concurred with everyone's discussion and urged Dr. Biedermann to continue with negotiations proceed as this is only an initial step with a lot of steps to take between now and the initial acquisition.

Council Member Tate concurred with Mayor Pro Tempore Carr's comments. However, he was disturbed that information was being turned into the planning department that shows something that has been out dated for 10 years.

City Manager Tewes said that it often happens that applicants submit ideas of what they propose by means of conceptual plans.

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Action: On a motion by Mayor Kennedy and seconded by Mayor Pro Tempore Carr, the City

Council unanimously (5-0) <u>Adopted</u> Resolutions of Necessity Nos. 5621, 5622, 5623, and 5624, for Portion of Properties Identified as APNs 817-029-004, 817-058-009, 817-008-026, and 817-059-006 for the Proposed Butterfield Boulevard - Phase IV

Improvements Project.

<u>Action:</u> On a motion by Council Member Tate and seconded by Mayor Pro Tempore Carr,

the City Council unanimously (5-0) Approved the Expenditure of \$349,500 Plus

Escrow and Closing Costs for the Acquisition of These Four Properties.

Council Member Chang recommended that items 26, 27 and 28 be continued to a future meeting.

#### 25. STAFF RESPONSE TO DEVELOPMENT PROCESSING SERVICES STUDY

City Manager Tewes presented the staff report.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Council Member Tate said that a red flag was raised about the ease of use of the Tidemark System. He noted that the recommendation is to evaluate this concern over a period of time. He felt that this may not be the right system to use as it is indicated that there is a greater investment, training and system maintenance than anticipated for the software to be used effectively.

Council Member Sellers stated that Tidemark is the universal system being considered in the industry.

Mayor Kennedy said that he served on a committee on Smart Permitting and that the Tidemark System was the system that was adopted by most cities as the standard for on line permitting. He said that it is common and widespread in its use.

City Manager Tewes said that staff would be evaluating Tidemark and would be returning to Council with recommendations in January 2003.

*Action:* On a motion by Council Member Tate and seconded by Council Member Sellers the

City Council unanimously (5-0) <u>Accepted</u> Recommendations Made by MAXIMUS

for Improving Development Processing Services.

**Action:** On a motion by Council Member Tate and seconded by Council Member Sellers the

City Council unanimously (5-0) Considered Staff Report on the Status of

Implementing Recommendations.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the

City Council unanimously (5-0) <u>Directed</u> Staff to Report Again on the

*Implementation of Recommendations in April 2003.* 

Action: On a motion by Council Member Tate and seconded by Council Member Sellers the

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City Council unanimously (5-0) <u>Directed</u> Staff to Study Training and Staffing Needs Associated With Increased Deployment of Automated Permit Processing Software, and to Report Back in January 2003.

Action:

On a motion by Council Member Tate and seconded by Council Member Sellers the City Council unanimously (5-0) <u>Directed</u> Staff to Establish a Process for Council Adoption of a New Development Processing Fee Schedule, Which Would be Effective July 1, 2003.

#### 26. <u>UPDATE ON BUDGET AND REVENUE FORECAST</u>

Action: On a motion Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) continued this item to November 13, 2002.

#### 27. FUND RESERVE AND DESIGNATION POLICY

Action: On a motion Council Member Sellers and seconded by Council Member

*Tate, the City Council unanimously (5-0) continued this item to November* 

*13, 2002.* 

#### 28. COUNCIL DIRECTION REGARDING SCHEDULING OF SPECIAL MEETINGS

**Action:** On a motion Council Member Sellers and seconded by Council Member Tate, the

City Council unanimously (5-0) continued this item to November 13, 2002.

#### **CLOSED SESSIONS**

City Attorney Leichter indicated that the continued closed session item could wait to another meeting date.

#### **FUTURE COUNCIL-INITIATED AGENDA ITEMS**

No items were identified.

#### **ADJOURNMENT**

There being no further business, Mayor/Chairperson Kennedy adjourned the meeting at 11:05 p.m.

# IRMA TORREZ, City Clerk

MINUTES RECORDED AND PREPARED BY



# CITY COUNCIL STAFF REPORT MEETING DATE: November 20, 2002

TITLE: DEVELOPMENT AGREEMENT AMENDMENT DAA 00-05: MALAGUERRA-MANCIAS

# Agenda Item # 29 Prepared By: Assistant Planner Approved By: Community Development Director Submitted By: City Manager

#### **RECOMMENDED ACTION(S):**

- 1. Open/close Public Hearing
- 2. Waive the First reading in full of the development agreement amendment (DAA) Ordinance
- 3. Introduce on first reading the DAA Ordinance (roll call vote)

**EXECUTIVE SUMMARY:** The subject property, Coyote Creek Estates, consists of 15 lots (13 Measure P units and two replacement units), that received seven building allotments for FY 2001-02 and six allotments for FY 2002-03. The applicant is requesting approval of a Development Agreement Amendment to allow for a five-month extension of time for seven building allotments in phase one and a six-month extension of time for six building allotments in phase two of Coyote Creek Estates. Also, the applicant is requesting a change to his Measure P commitment. The applicant is requesting that instead of building stairs and pathway to Coyote Creek, he construct a pathway/sidewalk along Malaguerra Avenue.

An extension of time is needed because of the Santa Clara Valley Water District's refusal to allow the applicant to construct stairs and pathway to Coyote Creek. In August 2002, staff and the applicant agreed that in lieu of constructing a pathway to the creek, the applicant would construct a pathway/sidewalk along Malaguerra Ave. Under Section 18.78.125.G of the Municipal Code, the City Council may grant an exception to the loss of allocation if it finds that the cause for the lack of commencement was the City's failure to grant a building permit for the project due to extended delays in environmental reviews, permit delays not the result of developer inaction, or allocation appeals processing. The change of the pathway required the applicant to revise his plan, which was submitted to Public Works in August 2002. The revised plans are currently being reviewed by the Public Works Department.

The Commission reviewed the development agreement amendment application at their October 22, 2002 meeting and voted 5 to 1 to recommend approval to the Council. A copy of the Commission's staff report and draft minutes are attached for the Council's reference.

**FISCAL IMPACT:** None. Filing fees were paid to the City to cover the cost of processing this application.

#### **ORDINANCE NO. 1597**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1530, NEW SERIES, AMENDING THE DEVELOPMENT AGREEMENT FOR APPLICATION MP 99-26: MALAGUERRA-ANSUINI/MANCIAS TO INCORPORATE A FIVE-MONTH EXTENSION OF TIME FOR SEVEN BUILDING ALLOTMENTS IN PHASE ONE AND A SIX-MONTH EXTENSION OF TIME FOR SIX BUILDING ALLOTMENTS IN PHASE TWO. (APN 728-35-016; 728-35-017)

### THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

**SECTION 1.** The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

**SECTION 2.** The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

**SECTION 3.** Pursuant to Title 18, Chapter 18.78.25 of the Municipal Code, the Planning Commission and City Council respectively adopted Resolution No. 00-03 on March 14, 2000 and Resolution No. 5470 on May 2, 2001, and awarded allotments to a certain project herein after described as follows:

Project Total Dwelling Units
MP 99-26: Malaguerra-Ansuini/Mancias 7 units for FY 2001-02
6 units for FY 2002-03

**SECTION 4.** References are hereby made to a certain Agreement on file in the office of the City Clerk of the City of Morgan Hill.

This document, signed by the City of Morgan Hill and the property owner, sets forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to is amended by this ordinance and shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council.

**SECTION 5.** The City Council hereby finds that the development agreement amendment approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

**SECTION 6.** Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

**SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any

situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

**SECTION 8.** Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

**SECTION 9.** EXCEPTION TO LOSS OF BUILDING ALLOCATION. The project applicant has in a timely manner, submitted necessary planning applications to pursue development. The delay experienced by this project was due to excess time in processing of the final map. The delays are not a result of the developer's inaction and therefore, a five-month Exception to Loss of Building Allocation, extending the time for commencement of construction for seven building allotments in phase one from December 30, 2002 to May 31, 2003 and a six-month extension of time for six building allotments in phase two from June 30, 2003 to December 30, 2003 is granted.

<u>SECTION 10.</u> AMENDMENT TO PARAGRAPH 14, ADDING THE FOLLOWING TO SUBSECTION (i) AND AMENDING SUBSECTION (n), AS FOLLOWS:

- (i) Property Owner agrees to include the following <u>open space and landscape</u> improvements in the development:
  - (xi) Provide steps to and pathway along the open space/creek area.

    Install a pathway/sidewalk along Malaguerra Avenue.
- (n) The property owner agrees to provide the following circulation improvements:
  - (iv) Install low maintenance walkways on-site, and along the creek. provide steps to and pathway along the open space/creek area.
    - Install a pathway/sidewalk along Malaguerra Avenue.
  - (v) Provide for the future extension of Mancias Drive to Peet Road. Should the City decide not to extend Mancias Drive to Peet Road, Property Owner shall provide an alternate Measure P commitment valued at the same number of points.

In order to make up the two points lost with the elimination of the through street, the Property Owner shall provide steps to and a pathway along the open space/creek area install a pathway/sidewalk along Malaguerra Avenue. (one point). The project master plan was also deemed 'above average' under the Orderly and Contiguous Development category (one point).

**SECTION 11.** Exhibit B of the development agreement is amended to read as follows:

#### EXHIBIT "B"

# FY 2001-2002 (7 UNITS), FY 2002-2003 (6 UNITS) DEVELOPMENT SCHEDULE MP-99-26: MALAGUERRA - ANSUINI/MANCIAS

I. SUBDIVISION AND ZONING APPLICATIONS

Applications Filed: November 21, 2000

II. SITE REVIEW APPLICATION

Application Filed: April 27, 2001

III. FINAL MAP SUBMITTAL

Map, Improvements Agreement and Bonds: October 1, 2001

IV. BUILDING PERMIT SUBMITTAL

Submit plans to Building Division for plan check:

FY 2001-2002 (7 units)

FY 2002-2003 (6 units)

January 15, 2002

January 15, 2003

June 15, 2003

V. BUILDING PERMITS

Obtain Building Permits: April 1, 2002
FY 2001-2002 (7 units)
October 1, 2002
F. L. 2002

February 28, 2003

FY 2002-2003 (6 units) April 1, 2003

October 1, 2003

Commence Construction: June 30, 2002
FY 2001-2002 (7 units) December 30, 2002

May 31, 2003

FY 2002-2003 (6 units) June 30, 2003

December 30, 2003

Failure to obtain building permits and commence construction by the date listed in Section V. above, shall result in the loss of building allocations. Submitting a Final Map Application or a Building Permit under Sections III. and IV., respectively, two (2) or more months beyond the filing dates listed above, shall result in applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additionally, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above, Sections III. and IV., respectively, may result in loss of building allocations. In such event, the property owner must reapply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

City of Morgan Hill Ordinance No. 1597, New Series Page - 4 -

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least seven (7) dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 20<sup>th</sup> Day of November 2002 and was finally adopted at a regular meeting of said Council on the 4<sup>th</sup> Day of December, 2002 and said ordinance was duly passed and adopted in accordance with law by the following vote:

<b>AYES:</b>	<b>COUNCIL MEMBERS:</b>	
NOES:	<b>COUNCIL MEMBERS:</b>	
<b>ABSENT:</b>	<b>COUNCIL MEMBERS:</b>	
ABSTAIN:	COUNCIL MEMBERS:	
ATTEST:		APPROVED:
Irma Torre	z, City Clerk	Dennis Kennedy, Mayor
	<b>CERTIFICATE O</b>	F THE CITY CLERK
CALIFORN 1597, New S	NIA, do hereby certify that the fore	<b>RK OF THE CITY OF MORGAN HILL,</b> egoing is a true and correct copy of Ordinance No. of the City of Morgan Hill, California at their regular 2.
WIT	NESS MY HAND AND THE SE	CAL OF THE CITY OF MORGAN HILL.
DATE:		
		IRMA TORREZ, City Clerk



REPORT ON ACCOMPLISHMENTS AND PLANS OF THE

MORGAN HILL COMMUNITY HEALTH FOUNDATION (MHCHF) AND THE JOINT PLANNING TASK FORCE

# Agenda Item # 30 Prepared/Approved By: **Council Services and** Records Manager **Submitted By:** City Manager

#### **RECOMMENDED ACTIONS:**

Receive and Accept Report on MHCHF' goals, strategies and accomplishments and the Morgan Hill Community Health Services Plan.

#### **EXECUTIVE SUMMARY:**

Mr. William Brown, President of the MHCHF has submitted the attached report from the MHCHF on its goals, strategies and accomplishments for achieving their mission and vision and implementing the Policy Objectives for Medical Services in Morgan Hill. Also, attached is the Morgan Hill Community Health Services Plan developed by the Joint Planning Task Force of the MHCHF and Saint Louise Regional Hospital.

Mr. Brown indicates that members of the Joint Planning Task Force and the MHCHF Board will be in attendance at the November 20, 2002 City Council meeting to provide an overview of these documents and to address any questions that the Council may have.

FISCAL IMPACT: \$250,000 in funding was allocated for FY 2001-02. On May 1, 2002, the City Council authorized: 1) \$50,000 matching grant; 2) \$80,000 to be used for physician recruitment; and 3) carried the balance of the \$250,000 into FY 02-03.



# COMMUNITY PLAYHOUSE PROJECT - ADDITIONAL FUNDING REQUEST

**RECOMMENDED ACTION(S):** 1) Appropriate an additional \$50,000 from the current Redevelopment Agency's project contingency balance to augment the total project budget.

2) If Action #1 above is approved, authorize the City Manager to execute a Purchase Order in an amount not to exceed \$35,000 with Office Products & Interiors (OPI) for furnishings at the Playhouse project.

Agenda Item # 31
Prepared By:
Project Manager
Approved By:
Public Works Director
<b>Submitted By:</b>
City Manager

**EXECUTIVE SUMMARY:** Previous Council action awarded the contract for construction of the Community Playhouse project to Kent Construction, Inc. in the amount of \$2,212,213. At that time, staff requested a construction contingency of \$247,485 (approximately 11%). Council suggested that staff begin the project with a much smaller contingency of \$97,485 (approximately 4%), with the understanding that a project of this nature has risks during construction. Further, if additional costs arose, staff was to return and request additional contingency funding. Please see attached portion of Council meeting minutes from May 1, 2002 for a summary of that discussion.

This request is necessary for a variety of reasons, the majority of which are shown below and on the attached spreadsheet:

- 1) Additional structural upgrades to the existing church building.
- 2) Residing of the existing church building due to dry rot & termite drainage.
- 3) Additional PG&E costs to provide electric service to the project.
- 4) Additional testing & inspection as well as additional professional services related to the above.
- 5) Additional furnishings including, a lectern, and a serving cart.

If this additional funding request is approved, the construction contingency would increase from approximately 4% to approximately 6% of the contract award. The overall project budget (excluding land purchase) would increase by \$67,500 from \$2,950,000 to \$3,017,500 (approximately 2.3%). The request is for a \$50,000 appropriation and the remainder of additional funding would come from current year BAHS Economic Development budget (\$15,000) and Public Works parks maintenance budget (\$2,500).

If the additional funding request is approved, it will be necessary to immediately order the furnishings for the project in order for delivery by the end of January. Those furnishings generally include the following:

- 1) Four benches and a table with two chairs and a serving cart for the lobby area.
- 2) Five stools for each of the two dressing rooms.
- 3) Janitorial equipment including this building's portion of a personell lift for maintenance purposes.
- 4) A lectern for the stage and three chairs for the control room.
- 5) Window coverings (blinds) for the bathroom and dressing rooms.

**FISCAL IMPACT:** \$50,000 is requested from the Redevelopment Agency's project contingency to be added to the project budget (contingency) as identified in this report. Sufficient funding exists in all three accounts to accommodate this request.



# REDEVELOPMENT AGENCY/CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 20,2002

# Agenda Item # 32 Approved By: BAHS Director Submitted By: Executive Director

# DRAFT ECONOMIC DEVELOPMENT STRATEGY GOALS, POLICIES, AND ACTIONS

**RECOMMENDED ACTION(S)**: Discuss the draft Economic Development Strategy Goals, Policies, and Actions, and 2) Direct staff how to proceed.

**EXECUTIVE SUMMARY**: In July 2002, the City Council/Redevelopment Agency considered a marketing plan from the Chamber of Commerce for Economic Development and Tourism. At that time, the Council determined that a clear and focused Economic Development Strategy (EDS) needed to be developed before limited ED resources should be allocated to staffing and other services. Without an EDS in place, the Council could not properly evaluate alternatives available such as the Chamber's Marketing Plan.

In August and September 2002, the Council held meetings to discuss the EDS. One recommendation from those meetings was to form a Council Economic Development subcommittee (Subcommittee) to review the EDS and present a revised draft to the Council for consideration.

Attached is the revised EDS. It should be noted that the document may have gaps or inconsistencies, and that not all the policies have actions associated with it. However, our intent was to show the relationship between the goals and the policies, and the actions by which we would implement the goals.

It is also important to consider that this document is a working draft. The Subcommittee and staff are not endorsing all components of the draft EDS, but believe that the policies and actions contained in it warrant a discussion by the Council. The Council's modifications or deletions of policies/actions will allow us to determine the Council's priorities and refine the EDS for adoption.

We would suggest that the Council provide comments and direct staff and/or the ED Subcommittee to finalize and return with a revised EDS for adoption. With an adopted EDS, the Council would be in a position to evaluate the Chamber's Marketing Plan at a future meeting.

**FISCAL IMPACT:** An adopted EDS will dictate priorities for the future use of economic development funds. Based on funds already committed, budgeted, or expended, staff estimates about \$4.3M remain for economic development activities over the life of the Redevelopment Plan.



## CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 20, 2002

## NEW MORGAN HILL POLICE FACILITY

**RECOMMENDED ACTION(S):** Consider options and direct staff on how to proceed.

Agenda Item # 33
Prepared By:
BAHS Director
Submitted By:
City Manager

**EXECUTIVE SUMMARY:** The five year CIP envisions acquisition of property for a new police facility to occur in FY02/03 and construction to begin in FY04/05.

The initial concept is that the new facility would be located adjacent to the planned County Courthouse on Butterfield Blvd. The facility would encompass a minimum of two acres with a 25,000 square foot building.

In discussions with the County, it appears there may not be sufficient room to co-locate a police facility with the Courthouse because of two key reasons: 1) the site is about .36 acres smaller than listed in the assessors parcel information and 2) the courthouse project is much larger than originally proposed. As the courthouse site may be unavailable, the Police Department has suggested a possible alternative to building a new facility which is to acquire a new industrial building on Vineyard Avenue and convert it into a police facility.

This possible alternative raises the policy issue of whether Council prefers to: 1) maintain the schedule for a police facility as identified in the five year CIP or 2) accelerate the schedule by pursuing other options. To assist in your discussions, listed below are the advantages and disadvantages of each option.

#### VINEYARD FACILITY

#### **BUILD A NEW STATION**

<u>Advantages</u>	<u>Disadvantages</u>	<u>Advantages</u>	<u>Disadvantages</u>
Larger facility with	Requires General Fund	Designed specifically	Requires acquisition of
indoor parking	appropriation earlier with impact	for police	site
Lower overall costs		More central location	Higher per sq. ft. cost to
	Not centrally located;	w/civic presence	build
Favorable interest rates	longer response time		
		Does not require	Unknown future interest
Allows for earlier reuse of police station	No civic presence	General Fund contribution for 3 yrs	rates
•	No on-site fueling	•	Smaller facility (no
Proximity to future	C	Potential for on-site	indoor parking)
corporation yard	Occupies an industrial	fueling	1 0,
-	bldg with a civic use.	_	Longer time for new
Purchase terms may be negotiable	-	More police impact fees available	Police Department

Also attached for your review is a report prepared by Chief Galvin regarding the Vineyard facility. Before we pursue further discussions with the property owner, we are seeking direction from the Council.

**FISCAL IMPACT:** The 5 yr CIP has about \$6.7 M budgeted for the police facility which is probably less than what is needed under either scenario. However, it is clear that retrofitting an existing building is less costly than building a new facility on a square footage basis. The difficulty is factoring into the equation the intangible benefits and costs (e.g., location), the impact on the General Fund in the short term, or if interest rates will continue to be favorable in the future.



## CITY COUNCIL STAFF REPORT

MEETING DATE: NOVEMBER 20, 2002

# COMMUNITY INDOOR RECREATION CENTER-RECEIVE SUBCOMMITTEE RECOMMENDATION AND AWARD PROFESSIONAL SERVICES CONTRACT FOR ARCHITECTURAL DESIGN

**RECOMMENDED ACTION(S):** 1) Consider subcommittee report and recommendation 2) Approve the attached scope of work from Noll & Tam Architects for Architectural Design Services in an amount not to exceed \$1,765,300 and authorize the City Manager to negotiate and execute the professional services agreement subject to review and approval by the City Attorney.

Agenda Item # 34		
Prepared By:		
PW Deputy Director		
Approved By:		
Public Works Director		
Submitted By:		

City Manager

**EXECUTIVE SUMMARY:** On September 5, 2001, City Council authorized the City Manager to negotiate a consultant services agreement with Noll & Tam Architects to provide Preliminary Architectural Design Services for the Community Indoor Recreation Center in an amount not to exceed \$195,281 based on a construction budget as approved in the 2001-02 Capital Improvement Budget of \$7 million.

Preliminary design services began in September of 2001 involving meetings with the Parks and Recreation Commission, Senior and Youth Advisory Committees, and the public regarding the identification of programming and space needs for the building. These needs were balanced along with consideration for identifying an appropriate level of capital expenditure while optimizing cost recovery through programming. These discussions resulted in the recognition that the budget for this project was not adequate to meet the identified youth and senior needs while maximizing cost recovery through programming. Recommendations from the Parks and Recreation Commission to Council including numerous staff presentations provided Council with the information on which it based a decision in February 2002 to re-appropriate Redevelopment Agency Funding expanding the construction budget for the Community Indoor Recreation Center from \$7 to \$18 million.

During the time work was proceeding on the identification of programming space needs, the Mt. Madonna YMCA began discussions with staff regarding their desire to operate programming in the new building. This made the programming discussions more complex, and beginning in November 2001, these discussions were conducted before Council. Much effort was required of both Noll & Tam Architects and other consultants to provide staff accurate information and facilitate Council and community presentations throughout this process. On July 17, 2002, Council approved an additional \$16,835 in costs for services relative to these efforts.

Relative to the revised construction budget of \$7 to \$18 million, it became necessary to enter into a new contract. In July staff solicited a new proposal from Noll & Tam Architects, and reconvened the design selection subcommittee. The subcommittee met twice during the month of August 2002, once in September to conduct a field trip of Noll & Tam completed projects, and met a final time in November. As a result, the majority of the subcommittee recommends that Council approve Noll & Tam Architects to provide design services in an amount not to exceed \$1,765,300. After the subcommittee met, Council Member Chang requested that the subcommittee conduct a second field trip to view the completed architectural designs of Mr. Chuck Davis who was added to the Noll & Tam team as a Senior Designer. During the negotiating period there will be ample time to meet with Mr. Davis.

Attached is a memo to Ed Tewes from Mori Struve providing a summary of the subcommittee's activities, the Noll & Tam revised proposal, and a project budget and revised schedule.

**FISCAL IMPACT:** This project is funded as part of the CIP Budget. Sufficient funds exist for the proposed contract for preliminary architectural design services by Noll & Tam Architects in the amount of \$1,765,300.



# Memorandum Public Works Department

Date: November 12, 2002

To: Ed Tewes, City Manager

From: Mori Struve, Deputy Director of Public Works - Operations

**Subject: Community Indoor Recreation Center- Summary Of:** 

Design Selection Subcommittee Report

 Noll & Tam Architectural Design Services Proposal Project Budget and Schedule

## **Design Selection Subcommittee Report**

The subcommittee consisted of Council Members Hedy Chang and Greg Sellers, Parks and Recreation Commissioner Mark Frederick, and staff members David Bishoff, Julie Spier, and Mori Struve.

The subcommittee received the Noll & Tam proposal based on the revised budget of \$26.2 million in July of 2002. The subcommittee met four times between August and November. Noll & Tam revised their proposal in the following ways as a result of the subcommittee's direction:

- Reduced the cost by over \$100,000. Thus, reflecting a total design cost equating to 10% of construction cost. The Community Cultural Center and Library's design costs represent 8% and 9% of construction cost respectively. The higher cost of the IRC design as a percentage of construction is justified due to the aquatic building spaces.
- Agreed to add "quit clause" language should the city enter into a contract that protects the city
  from charges for services rendered to date in the event the city should decide to terminate the
  contract at any time.
- Added Mr. Chuck Davis of EHDD Architects as Senior Design Principal to the Noll & Tam team thus supplementing the team's design creativity and depth of experience. Mr. Davis' education, registration, and project credentials are attached to this memo.

The Noll & Tam revised proposal reflecting these revisions is attached to this memo.

## **Project Budget**

Total Appropriation	\$26,200,000
1. Land Cost\$5,600,000	
2. Construction Cost  a. Site Costs  Onsite: Development of appox. 8 acres, including parking spaces (Excluding BMX and Skate Parks)2,374,274  Offsite sidewalk, and street improvements	
3. Soft Costs (24% of Construction Cost)  a. A&E Professional Design Fees (including CEQA and Leed's)1,765,300	.3% 2.3% .8% 1.2% 1.2%
Sub Total\$3,648,778 24.19	<b>%</b>
4. Project/Design Contingency (10% of Construction Cost)\$1,502,881	* 10%
5. Escalation (construction bid in 2004)450,830	3%
Total Estimated Project Costs	\$26,197,337

<sup>\*</sup>Subcommittee recommended 20% Contingency

Phase/Task	Estimated Completion Date

1. Preliminary Design (Schematic Design) Dec 02- Mar 03

2. Design Development Apr 03- Jul 03

3. Construction Documents Aug 03- Apr 04

4. Bidding/Award May 04- Jun 04

5. Construction July 04- Sept 05\*

<sup>\*</sup>This extends the schedule currently shown in the CIP by 3 months



Agenda Item #	35
Prepared By:	

Community
Development Director

**Submitted By:** 

City Manager

# URBAN LIMIT LINE (GREENBELT) STUDY: FORMATION OF CITIZEN ADVISORY COMMITTEE AND PARTICIPATION IN THE CONSULTANT SELECTION

#### **RECOMMENDED ACTIONS:**

- 1) Appoint a two member Council Committee to make recommendations to the Council on membership of the Urban Limit Line (Greenbelt) Study's Citizen Advisory Committee.
- 2) Appoint a member of the Council to participate in the consultant selection process for the Urban Limit Line (Greenbelt) Study.

#### **EXECUTIVE SUMMARY:**

On October 2, 2002 the Council reviewed and commented on a Scope of Work for the Urban Limit Line (Greenbelt) Study, including the roles of a Citizen Advisory Committee. The City has provided public notice of the new Committee and established a December 13, 2002 deadline for submittal of applications. It is anticipated that the appointment of the Committee would occur at the January 15, 2003 Council meeting. It is recommended that the Council appoint a two-member committee to make recommendations for membership on the Citizen Advisory Committee.

The Scope of Work was the basis for a consultant Request for Proposals (RFP). Responses to the RFP are due to the City on Friday, November 22, 2002. The review and evaluation of the consultant submittals includes, by November 27, narrowing the number of consultant teams to no more than four to be interviewed. On Wednesday, December 4, approximately one hour interviews will be held with each of the final teams. The schedule is based, in part, on wanting to have the consultant contract awarded at the January 15, 2003 Council meeting and timing limitations created by the holiday season. Given the high priority that the General Plan and the Council have accorded the Urban Limit Line (Greenbelt) Study, it is requested that the Council appoint one member to participate in the consultant selection process.

**FISCAL IMPACT**: The City's 2002-2003 budget identifies \$200,000 for the Urban Limit Line (Greenbelt) Study.



# CITY COUNCIL STAFF REPORT

**MEETING DATE:** November 20, 2002

# **Council Services and**

**Submitted By:** 

Agenda Item # 36

Prepared/Approved

Records Manager

City Manager

## CHALLENGE GRANT FOR UNITED WAY SILICON VALLEY

**RECOMMENDED ACTION:** Council Discussion and Direction

#### **EXECUTIVE SUMMARY:**

Mayor Kennedy has received a letter from Mark L. Walker, President & CEO of United Way Silicon Valley. In Mr. Walker's letter to the Mayor, he indicates that the City of San Jose has agreed to "... match dollar for dollar, contributions from individuals, corporations, foundations and other government entities – up to a total of \$250.000." It is indicated that the resulting funds will go to United Way Silicon Valley to be used for various programs.

Mayor Kennedy has requested that staff agendize this item for Council review and discussion to determine whether the City Council would like to make a contribution to United Way Silicon Valley that would be matched by the City of San Jose.

Staff will note that the Council, on September 4, 2002, considered a request from the Santa Clara County Domestic Violence Council for sponsorship of the 10<sup>th</sup> Annual Domestic Violence Conference. Staff explained that as part of the 5% budget reduction for Fiscal Year 2002-03, funding was not included in the Council's Community Promotion account to accommodate funding requests from non profit agencies located outside of Morgan Hill. The Council did not authorize funding for this event due to budget constraints.

FISCAL IMPACT: Funding has not been included in the Council's Fiscal Year 2002-03 budget for contributions to non profit organizations located outside of Morgan Hill. Should the Council wish to make contributions to United Way Silicon Valley, the Council can authorize the transfer of funds from the General Fund Balance to the City Council's Community Promotion Account (010-42248-1220) to cover whatever level of funding it deems appropriate to make.



Agenda Item # 37

Larry Carr, Mayor Pro Tempore

# CITY ATTORNEY'S EMPLOYMENT AGREEMENT RECOMMENDED ACTION(S):

Approve an amendment to the City Attorney's Employment Agreement.

#### **EXECUTIVE SUMMARY:**

In accordance with the terms of the City Attorney's Employment Agreement, the Council recently conducted a formal performance evaluation for Helene Leichter. A subcommittee was appointed to prepare compensation recommendations for the full Council to consider.

Helene and the Subcommittee desire to extend the term of the Employment Agreement through 2005 and to revise sections relating to compensation.

The subcommittee will also provide an oral report and recommendation to the Council.

The City's costs under the Employment Agreement will be included in the annual budget.

#### **FISCAL IMPACT:**

Dennis Kennedy, Mayor

Respectfully Submitted		